

Snohomish County
Urban County Consortium

2012 Annual Action Plan
FINAL

May 9, 2012

2012 Program Year
(July 1, 2012 through June 30, 2013)

U.S. Department of Housing and Urban
Development (HUD)
Housing and Community Development
Programs

Snohomish County Urban County Consortium Participating Governments

City of Arlington, Barb Tolbert, Mayor
City of Brier, Bob Colinas, Mayor
Town of Darrington, Dan Rankin, Mayor
City of Edmonds, Dave Earling, Mayor
City of Everett, Ray Stephanson, Mayor
City of Gold Bar, Joe Beavers, Mayor
City of Granite Falls, Haroon Saleem, Mayor
Town of Index, Bruce Albert, Mayor
City of Lake Stevens, Vern Little, Mayor
City of Lynnwood, Don Gough, Mayor

City of Marysville, Jon Nehring, Mayor
City of Mill Creek, Mike Todd, Mayor
City of Monroe, Robert Zimmerman, Mayor
City of Mountlake Terrace, Jerry Smith, Mayor
City of Mukilteo, Joe Marine, Mayor
City of Snohomish, Karen Guzak, Mayor
City of Stanwood, Dianne White, Mayor
City of Sultan, Carolyn Eslick, Mayor
Town of Woodway, Carla Nichols, Mayor

Snohomish County Government

Snohomish County Executive

Aaron Reardon

Snohomish County Council

John Koster, District 1
Brian Sullivan, District 2
Stephanie Wright, District 3
Dave Gossett, District 4
Dave Somers, District 5

Snohomish County Department of Human Services

Kenneth Stark, Director

Jeffrey Watson, Division Manager, Housing & Community Services

Office of Housing & Community Development

Dean Weitenhagen, Supervisor
Debra May, Human Services Specialist II
Jacqueline Toma, Human Services Specialist II
Sue Tracy, Human Services Specialist II
Dee White, Human Services Specialist II
Lori White, Human Services Specialist I

Office of Community & Homeless Services

Jackie Anderson, Supervisor
Marion Dal Pozzo, Human Services Specialist I
Andrea Kolacz, Human Services Specialist II
Lindsey Legaspi, Human Services Specialist II
Nathan Marti, Human Services Specialist II
Bo Tunestam, Human Services Specialist II

Administrative Services

Mike Fulcher, Division Manager
Lisa Guerrero, Grant Accountant

Mike Liddicoat, Financial Compliance Officer

Policy Advisory Board

Name and Representation

Pete Grodt, Chairman (Citizen)
Vacant, (Cities of less than 3,000 population)
Elizabeth Adams, Granite Falls City Council Member (Cities of 3,000 - 10,000 population)
Donna Wright, Marysville City Council Member (Cities of 10,000 or more population)
Richard Emery, Mukilteo City Council Member (Cities at large position)
John Koster, County Council Member District 1
Brian Sullivan, County Council Member District 2
Stephanie Wright, County Council Member District 3
Brian Parry, Executive Director, Snohomish County

Technical Advisory Committee

Name and Representation

Steve Ahern, Citizens/Senior	Brent Kirk, City of Granite Falls
Mark Beales, Citizens/Senior	Kim Peterson, Town of Index
Prithy Korathu, Citizens/Minority	Rebecca Ableman, City of Lake Stevens
David Alcorta, Citizens/Minority	Jeff Elekes, City of Lynnwood
Debra Donaldson, Citizens/Low Income	Rob Toyer, City of Marysville
Duane Leonard, Housing Authority of Snohomish County	Camille Chriest, City of Mill Creek
Marc Hayes, City of Arlington	Jakeh Roberts, City of Monroe
Sandi McCaulley, Town of Darrington	Paula Schwartz, City of Mountlake Terrace
Kernen Lien, City of Edmonds	Glen Pickus, City of Mukilteo
Joe Beavers, City of Gold Bar	Owen Dennison, City of Snohomish
	Dianne White, City of Stanwood
	Bob Martin, City of Sultan

Reasonable accommodations will be made to provide the information in this document in an alternate format upon request. Please contact Sue Tracy at:

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**Snohomish County Urban County Consortium
2012 Program Year Annual Action Plan**

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Snohomish County Urban County Consortium 2012 Program Year Annual Action Plan

EXECUTIVE SUMMARY

2012 Annual Action Plan Introduction

The 2012 Annual Action Plan ("2012 Action Plan") is the annual application by the Snohomish County Urban County Consortium ("Consortium") for federal affordable housing and community development grant funds. Snohomish County ("County") is the lead agency for the Consortium. The sources of grant funds include the Community Development Block Grant ("CDBG"), HOME Investment Partnerships ("HOME"), and Emergency Solutions Grant ("ESG") programs.

The 2012 Action Plan is also the third annual update to the Consortium's five-year *Housing and Community Development 2010-2014 Consolidated Plan* ("2010-2014 Consolidated Plan"). It indicates the amount of grant funds projected to be available in the 2012 program year and describes how these funds will be used to help meet the strategies and objectives established in the *2010-2014 Consolidated Plan*. It also includes additional information regarding the grant funds and housing and community development activities. The plan covers the 2012 program year which runs from July 1, 2012, through June 30, 2013.

Grants Funds Available

The County anticipates a total of \$5,237,056 in housing and community development funding will be available to the Consortium for allocation for the 2012 program year. This includes the following funding:

\$2,352,522	2012 CDBG
\$1,448,636	2012 HOME
\$241,799	2012 ESG
\$757,156	Contingency/Returned funds
\$200,000	Estimated CDBG Program Income
<u>\$236,943</u>	Estimated HOME Program Income
\$5,237,056	TOTAL

The County anticipates that these funds will help leverage an estimated \$19 million dollars in funding from other public and private resources.

The CDBG and HOME programs received significant funding cuts for both the 2011 and 2012 program years. The ESG program received an increase in funds for 2011 and 2012. The total 2012 grant amounts represent approximately \$1.7 million less in annual funding under these programs than was received in 2010, a twenty-nine percent decrease.

Use of Grant Funds

All of the activities selected to receive funds in 2012 will help address strategies and objectives set forth in the Consortium's *2010-2014 Consolidated Plan*. The \$5,237,056 in available grant funds will be allocated as follows:

- \$3,036,519 for affordable housing projects and programs and contingency;
- \$920,493 for public facility and infrastructure projects and contingency;
- \$582,363 for youth, senior, and public service programs;
- \$24,179 for ESG homeless data collection and management; and
- \$673,502 for grant planning and administration.

The affordable housing projects will help make decent and safe housing affordable, available, and accessible to low- and moderate-income households.

The community development projects will help create more suitable living environments and sustainable communities. These projects will make services, public facilities, and infrastructure more available, accessible, and affordable to low- and moderate-income persons and neighborhoods.

Substantial Amendments to Plans

Substantial amendments to prior year Annual Action Plans or to the Consolidated Plan are required when \$25,000 or more is awarded to a new project not already included in a plan, when there is a substantial change in the scope or funding amount for an existing project, or when there is a substantial change in program objectives, funding priorities, methods for choosing activities for funding, or methods of obtaining public consultation and comment.

Three substantial amendments to prior year Annual Action Plans and one substantial amendment to the *2010-2014 Consolidated Plan* were adopted as part of this 2012 Action Plan. The amendments include:

- Cancellation/return of \$170,271.91 in unexpended 2009 HOME funds and \$352,524 in unexpended 2011 CDBG funds for the HASCO Single Family Rehabilitation Loan Program, as the program will be discontinued effective June 30, 2012. The re-allocation of these funds to other affordable housing projects is included in the 2012 allocations.
- Change in the scope and location of the Sultan Boys & Girls Club 2010 CDBG public facility project. The original club buildings to be rehabilitated were destroyed in a fire. Under this amendment, the funds will be used to help construct a new Boys & Girls Club at 701 1st Street in Sultan.
- Amend the 2011 Action Plan to include an additional allocation of \$76,048 in 2011 ESG funds. The amendment includes the proposed spending plan and activity descriptions for these funds. It also addresses several new regulatory requirements for ESG funds which were recently enacted by HUD.
- Add a new objective under the homeless housing strategy in the *2010-2014 Consolidated Plan* to continue to support the local Homeless Management Information System (“HMIS”) for required data collection, reporting, evaluation, and other management activities. This is a new eligible use for ESG funds and will allow ESG funds to be utilized for this purpose.

Housing and Community Development Activities

The County, as lead agency of the Consortium, is responsible for the overall administration of the CDBG, HOME, and ESG grant programs. The County will also undertake additional activities during the 2012 program year in support of its housing and non-housing community development goals. These activities include, but are not limited to:

- continue to administer the local housing trust fund;
- continue to administer the local fund for ending homelessness;

- continue to administer federal funds made available under the Neighborhood Stabilization Programs and the Community Development Block Grant – Recovery Act program;
- continue to manage the application process for the Continuum of Care homeless assistance federal grant programs and management of project contracts under these programs;
- continue to administer state homeless assistance grant funds;
- continue to administer state funds to assist with housing and essential needs for persons with disabilities, if funding for the program is continued;
- continue to administer the local revolving loan fund to develop additional housing for persons with mental health and chemical dependency disorders;
- continue to administer the local rental assistance voucher program for low-income persons with mental health and chemical dependency disorders;
- continue to work in cooperation with the local Continuum of Care task force to support implementation of our local 10-year plan to end homelessness;
- continue to collaborate on the Investing in Families Initiative sponsored by the Gates Foundation;
- begin implementation of a new fair housing action plan currently being developed as part of an updated Analysis of Impediments to Fair Housing Choice;
- continue to participate in local and regional meetings related to affordable housing and community development, such as the Homeless Policy Task Force, the Housing Consortium of Everett and Snohomish County, the Housing Trust Fund Policy Advisory Team, and the Monitoring Coordination Task Force; and
- continue to evaluate the decreased funding resources available for affordable housing and community development activities and consider proposing revised Consolidated Plan goals based on updated funding projections.

Prior Year Performance

Each year, Snohomish County prepares a Consolidated Annual Performance and Evaluation Report ("CAPER"). The CAPER provides annual performance information on the Consortium's progress towards achieving the five-year Consolidated Plan goals. The most recent CAPER reports on performance during the 2010 program year for the July 1, 2010, through June 30, 2011 time period. This was the first year of the *2010-2014 Consolidated Plan*.

The Consortium successfully completed the 2010 program year. Program year highlights are listed below.

Under the affordable housing priority:

- Sixty units of affordable multi-family rental housing were completed. An additional 199 units were underway or had funds budgeted, for a total of 259 units. This includes the development of 21 new units and the preservation of 127 units for elderly persons and persons with disabilities.
- Twenty-two new units and rents subsidies for persons experiencing homelessness were brought on-line. An additional 99 units/rent subsidies were underway or had funds budgeted, for a total of 121 units/rent subsidies.
- Four hundred forty low- and moderate-income homeowners were assisted with minor home repairs, home weatherization, and major home rehabilitation. Most of the homeowners assisted were extremely low-income and were elderly persons or persons with disabilities.
- Twenty-nine low- and moderate-income households were provided purchase assistance to help them buy their first home. Assistance for an additional 26 homebuyers was underway or had funds budgeted.
- Fourteen new homeownership units were constructed for low- and moderate-income homebuyers through a sweat-equity program. An additional 34 units were underway or had funds budgeted.

Under the public facility priority:

- Two public facility projects were completed and an additional six were underway or had funds budgeted.

Under the infrastructure priority:

- Six infrastructure projects were completed and an additional eight were underway or had funds budgeted.

Under the three service priorities:

- Over 5,300 persons were provided improved access to public service programs including youth, elderly persons, homeless persons, persons with special needs, and other low-income persons.

Overall, the Consortium made significant progress in this first year towards most of its goals for affordable housing, public facility, infrastructure, and service projects. However, there were three affordable housing goals, one public facility goal, and one service goal for which the project accomplishments achieved were less than originally anticipated or for which there were no projects funded in the first year. The County identified additional outreach and other activities for the 2011 program year to help increase accomplishments in these areas, where feasible. In addition, the County indicated that funding cuts for 2011 and any continued cuts to these programs may affect the Consortium's ability to meet all of its goals.

More detailed information regarding the Consortium's performance may be found in the CAPER covering the 2010 program year. A CAPER that evaluates progress made in the 2011 program year from July 1, 2011, through June 30, 2012, will be available in September 2012.

Citizen Participation and Consultation

Snohomish County provided several opportunities for input during the development of the 2012 Action Plan by the public, various organizations and agencies, local governments, and other interested persons.

Two public hearings were held in December 2011 at the Snohomish County campus. The hearings were held to seek input on community needs and how to further prioritize goals to meet community needs due to the funding cuts. The hearings also provided an opportunity to report on, and receive input on, first-year program performance under the *2010-2014 Consolidated Plan*. Three public comments were received at these hearings. One comment received expressed the need to determine community needs and pick projects that really make a difference, rather than doing across the board cuts. Another comment received expressed that all the projects funded are vital to the community. The commenter also expressed that the support their agency receives for emergency and transitional housing for homeless youth is critical. Continued funding is needed in order to continue to provide quality services and to leverage other competitive funding, particularly due to last year's funding cuts and funding cuts from other sources. The third comment received also expressed that their agency, which serves homeless youth, is stretching funds as far as it can to continue to provide services to the community.

The County sought input from the Housing Authority of Snohomish County (HASCO) Resident Advisory Board for the 2012 Public Housing Authority Agency Plan. The residents commented that assistance for renters to become homeowners is not as important or immediate as the other needs for housing for homeless persons and for affordable rental housing. Assistance for homeowners to repair their homes was also seen as important. The residents also commented that both apartment owners and tenants need assistance for energy efficiency.

Representatives of Consortium-member governments, the local housing authority, and citizens were provided with an opportunity to participate on the Technical Advisory Committee (TAC) and Policy Advisory Board (PAB). These entities provide funding recommendations for CDBG, HOME, and ESG projects.

The County also consulted with the local Continuum of Care and HASCO during development of the 2012 Action Plan.

The Draft 2012 Action Plan was made available for a 30-day public review and comment period from April 6, 2012, through May 7, 2012. All interested persons were encouraged to review and comment on the plan and to attend a public hearing on May 4, 2012. Copies of the draft plan were made available at the Snohomish County Human Services Department Office of Housing and Community Development, at Snohomish County libraries, at local city halls, and on-line at the County's Human Services Department OHCD website. There was a final opportunity to comment on the

plan at the Snohomish County Council meeting on May 9, 2012, before adoption of the plan.

The County received comments from three people on the Draft 2012 Action Plan. The first commenter asked the Snohomish County Council to reconsider the recommendation from the TAC not to fund their agency's rental housing mediation services program. The agency requested that the Snohomish County Council consider at least partial funding to continue this program short-term, so that the agency may seek alternative long-term funding sources, and so that landlords and tenants in our community are not left without support. The agency addressed several points in support of its request. The County agrees that the rental housing mediation services program has served the needs in the Snohomish County community for many years and that the Consortium's *2010-2014 Consolidated Plan* has determined the need for these services in our community. However, the competitive application evaluation process was designed to provide a consistent, clear, and fair process for all applications. The loss of funding for this program was not due to lack of need in the community for these services, but rather reflected the lower scoring of this program application in comparison to other applications submitted coupled with the reduced amount of CDBG funding available.

The County received four comments from a concerned citizen regarding an affordable housing project that would acquire an existing ten-unit multi-family rental apartment building in the City of Snohomish and convert the units to affordable housing for low-income households. The commenter expressed concern that the County may be paying more than the actual value of the property, that the cost of the property is too high, and that more reasonably priced property is available in the same area that is adequate for affordable housing. The commenter also expressed concern that the property is not suitable to serve families and that the property will not actually serve working poor families as stated by the project sponsor, but will instead serve very low-income homeless individuals. The commenter asked several questions of Human Services Department staff regarding the project and expressed some additional concerns. The County Human Services Department staff has responded to the questions raised. In addition, the County has adequate underwriting mechanisms and safeguards in place to ensure that public funds are being well spent and that there is no overpayment for projects. At the time of application, project sponsors are required to demonstrate the approximate market value of the property, and an appraisal is required at a later time once all funding for the project is secured. The final purchase price of the property may not be higher than the appraised value or the County will not execute a contract with the project sponsor for the grant funding. The project will serve a broad array of low-income families and adults. The project has on-site parking and nearby off-

street parking. While there is limited on-site family recreation space, the projects is located near walkways and activity areas for families to explore including parks. The project is also located close to public transportation and employment opportunities. The County's open competitive application process is designed to give flexibility to agencies that have a wide range of strategies associated with providing affordable housing and the County supports a full continuum of housing strategies. Because affordable housing is an important need in our community, the County requires projects that receive grant funding to operate and maintain the site as affordable housing for forty years. The County values the importance of keeping the development costs for affordable housing down, but also must consider the long-term viability of the project and the total cost of the project over time.

Finally, the County received one comment from the project sponsor of the affordable housing project in the City of Snohomish referenced above. The commenter explained that it is important to identify projects that have a long-lasting life and superior building facilities as the funding agreements require a 40-year commitment to affordable housing. He indicated that the property in Snohomish was far superior to other properties they were pursuing for long-term use. He indicated that the agency is excited about this project, has answered all the questions asked of them, has been completely transparent about this process, and will continue to be transparent. The commenter indicated that he is aware of and appreciative of the other comment's concerns regarding the value of the property and that this value will be determined through the appraisal process. He commented that this is a great project for the agency's families and low-income families through out Snohomish County to have this housing opportunity.

Snohomish County Urban County Consortium 2012 Program Year Annual Action Plan

I. INTRODUCTION

A. The 2012 Annual Action Plan

The *2010-2014 Consolidated Plan* for the Consortium was approved in May 2010. It identifies local affordable housing and non-housing community development needs in our community. It also includes specific strategies and objectives to guide the use of certain federal grant funds over a five-year period to help meet these needs. These grant funds include CDBG, HOME, and ESG funds. The *2010-2014 Consolidated Plan* covers the period of July 1, 2010, through June 30, 2015.

For each year of the *2010-2014 Consolidated Plan*, the County is required to develop an Annual Action Plan ("Action Plan"). The Action Plan is a yearly update to the Consolidated Plan. It is also the annual application to the U.S. Department of Housing and Urban Development (HUD) for the grant funds listed above. The Action Plan identifies the amount of federal funds expected to be available for the upcoming program year under the CDBG, HOME, and ESG programs. It also describes how these grant funds will be used to help meet the five-year strategies and objectives contained in the Consolidated Plan. The Action Plan includes a description of the specific activities to be funded and the amount of funding awarded to each activity. It also includes other information regarding the grant funds and housing and community development activities.

The 2012 Action Plan is the third Action Plan developed under the *2010-2014 Consolidated Plan*. It covers the 2012 program year for the period of July 1, 2012, through June 30, 2013. The 2012 Action Plan adds a new section to the Consolidated Plan and is intended to be used in reference to that plan.

To view an on-line copy of the 2010-2014 Consolidated Plan, visit:

http://www1.co.snohomish.wa.us/Departments/Human_Services/Divisions/OHHCD/Consolidated_Plan/

To request a paper copy of the 2010-2014 Consolidated Plan, contact Sue Tracy at sue.tracy@co.snoco.org or (425) 388-3269 or TTY 711.

B. Use of Grant Funds

Federal regulations require that these grant funds be used primarily to benefit low- and moderate-income persons and neighborhoods. This includes, but is not limited to, persons with special needs, such as elderly persons, persons with disabilities, persons living with HIV/AIDS, and victims of domestic violence.

Depending on the type of grant program, the funds may be used for affordable housing, public facilities, infrastructure improvements, public services, economic development, and neighborhood revitalization. The Consolidated Plan establishes the specific local priorities for how these funds will be used.

C. Snohomish County Urban County Consortium

The Consortium is a partnership between Snohomish County and most of the cities and towns with the County. This partnership allows the Consortium, as an Urban County, to receive funds each year under the CDBG, HOME, and ESG programs as formula grants and to use these funds for locally determined needs and priorities.

Snohomish County is the lead agency of the Consortium. In this capacity, Snohomish County is responsible for the overall administration, planning, monitoring, and reporting requirements for these programs on behalf of the Consortium. This includes the preparation of the Consolidated Plan and the Action Plans and engaging in citizen participation and consultation.

For CDBG and ESG funds, the Consortium includes the County and 17 cities and towns within the County. As such, the Consortium area includes the areas within these cities and towns and the unincorporated areas of the County. It does not include the City of Bothell or the City of Everett. The City of Bothell is split by the County line to the south and partners with King County. The City of Everett receives CDBG funds directly from HUD. The City of Marysville is included in the Consortium through June 30, 2012.

Beginning July 1, 2012, it will become its own CDBG entitlement jurisdiction and will begin receiving CDBG funds directly from HUD. The share of ESG funds attributed to the City of Everett and the City of Marysville are included in the balance of state ESG funds administered by the Washington State Department of Commerce.

For HOME funds, the Consortium includes the County and the same 17 cities and towns as for CDBG and ESG and also includes the City of Everett and the City of Marysville.

II. Citizen Participation and Consultation Process

The County followed the Consortium's Citizen Participation Plan contained in the *2010-2014 Consolidated Plan* in developing the 2012 Action Plan. The County provided several opportunities for input by the public, various organizations and agencies, local governments, and other interested persons.

Two public hearings were held in December 2011 at the Snohomish County campus. The hearings were held to seek input on community needs and how to further prioritize goals to meet community needs due to funding cuts. The hearings also provided an opportunity to report on, and to receive input on, first-year program performance under the *2010-2014 Consolidated Plan*. Notice of the hearings was published in the Everett Herald, the newspaper of general circulation in Snohomish County. Electronic notice was also sent to the mailing list of interested agencies and persons maintained by the Snohomish County Human Services Department – Office of Housing and Community Development, to the Everett/Snohomish County Homeless Policy Task Force distribution list maintained by the Snohomish County Human Services Department – Office of Community and Homeless Services, to the Housing Consortium of Everett and Snohomish County, and to the Consortium members. Three comments were received.

The County consulted with the local Continuum of Care and the Housing Authority of Snohomish County (HASCO) during development of the 2012 Action Plan. In addition, the County sought input in December 2011 from HASCO's Resident Advisory Board during development of its 2012 Public Housing Authority Agency Plan.

Representatives of Consortium-member governments, the local housing authority, and citizens were provided an opportunity to participate on the Technical Advisory Committee (TAC) and Policy Advisory Board (PAB). These entities provide funding recommendations for CDBG, HOME, and ESG projects.

The Draft 2012 Action Plan was made available for a 30-day public review and comment period from April 6, 2012, through May 7, 2012. All interested persons were encouraged to review and comment on the plan and to attend a public hearing on May 4, 2012. Notice of the comment period and hearing were published in the Everett Herald, the newspaper of general circulation for Snohomish County. Electronic notice was also sent to the mailing list of interested agencies and persons maintained by the Snohomish County Human Services Department – Office of Housing and Community Development, to the Everett/Snohomish County Homeless Policy Task Force distribution list maintained by the Snohomish County Human Services Department – Office of Community and Homeless Services, to the Housing Consortium of Everett and Snohomish County, and to the Consortium members. Paper copies of the Draft 2012 Action Plan were made available at the Snohomish County Human Services Department -- Office of Housing and Community Development, at the libraries of Consortium-member cities and towns, at local city halls, and on-line at the Snohomish County Human Services Department and Office of Housing and Community Development/Office of Community and Homeless Services websites. Comments were received from two persons. Two written comments and one oral comment were received.

The public had a final opportunity to comment on the plan at public meetings of the Snohomish County Council before adoption of the final plan. Two oral comments and one written comment were received at the Snohomish County Council's Law & Justice/Human Services Committee Meeting on April 23, 2012. No comments were received at the Snohomish County Council's General Legislatives Session on May 9, 2012. The Snohomish County Council adopted the Final 2012 Action Plan on May 9, 2012.

A summary of the comments received, as well as the rationale for any comments not accepted, is located in Section XX. of this document.

III. OTHER RESOURCES AVAILABLE

The County anticipates a significant amount of other federal, state, local, and private resources will be available to help meet the local housing and community development strategies and objectives in our Consolidated Plan. Many of these resources will also help leverage the CDBG, HOME, and ESG funds. It is estimated that the 2012 CDBG, HOME, and ESG projects will leverage an estimated \$19 million dollars in funding from other sources.

The following is a list of the other resources anticipated to be available during all or portions of the 2012 program year. The list includes some committed funds, but primarily represents funding the project sponsors have applied for or will apply for, as well as actual or estimated funding from various resources serving Snohomish County.

BPA Weatherization Assistance Program	\$99,648
Department of Energy	\$420,510
Federal Home Loan Bank	\$45,000
FEMA Emergency Food and Shelter Program	\$60,594
HHS Administration for Children and Families	\$285,000
HHS Health Care for Homeless	\$40,000
HHS Low Income Home Energy Assistance	\$823,327
Housing Opportunities for Persons With AIDS	\$262,576
HUD Neighborhood Stabilization Program	\$26,000
HUD Supportive Housing Program	\$1,440,000
HUD Shelter Plus Care	\$2,733,912
HUD Section 8 Housing Administrative Funds (HASCO)	\$2,388,745
HUD Section 8 Housing Assistance Funds (HASCO)	\$25,276,512
USDA Child and Adult Care Food Program	\$40,000
USDA Rural Development	\$1,000,000
Veteran's Administration Grant and Per Diem Program	\$1,618,306
Washington Families Fund	\$75,878
WA State Combined Homeless Grant	\$1,250,000
WA State DSHS	\$818,580
WA State Energy Matchmakers	\$437,982
WA State Housing Finance Commission	
Homeownership Programs	\$112,500
Low-Income Housing Tax Credits	\$5,454,738
WA State Housing Trust Fund	\$2,411,920
WA State Transportation Improvement Board Grant	\$1,520,000

Local Improvement District (Lynnwood)	\$1,630,000
Park Mitigation Fees (Snohomish County)	\$37,655
Puget Sound Energy	\$48,669
Real Estate Excise Tax (Snohomish County)	\$100,000
Snohomish County Affordable Housing Trust Fund	\$1,000,000
Snohomish County Ending Homelessness Program	\$2,400,000
Snohomish County General Funds	\$150,000
Snohomish County Sales Tax Interim Loan Fund	\$900,000
Snohomish County Sales Tax Rental Voucher Program	\$635,000
United Way of Snohomish County	\$199,283
Washington Community Reinvestment Association Loan	\$1,200,000
Miscellaneous Private Foundations/Grants	\$246,700

For any projects assisted with HUD formula funds which require matching funds, evidence of eligible matching resources will be required of project sponsors as part of the contracting process. Part of the subsequent monitoring activities will focus on documenting that the required match was, in fact, expended by the project sponsors.

IV. ANNUAL OBJECTIVES

The County plans to use CDBG, HOME, and ESG funds available for 2012 to assist 46 activities. The activities are listed below under the *2010-2014 Consolidated Plan* priority. The HUD objective/outcome that each activity will help accomplish is indicated, where applicable.

A. Consolidated Plan Priority -- Affordable Housing

Table 1 - Affordable Housing Annual Objectives

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
City of Everett Community Housing Improvement Program	HOME	H-4 HO-22	Decent Housing/ Availability Accessibility	10 units
City of Everett HomeSight First-Time Homebuyers Assistance	HOME	H-5 HO-15	Decent Housing/ Affordability	2 units

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
City of Everett Parkview Services Homeownership	HOME	H-5 HO-15	Decent Housing/ Affordability	1 unit
Habitat for Humanity CHDO Operating Support Grant	HOME	H-8 HO-27 & 30	N/A	1 agency
Housing Authority of Snohomish County Single Family Rehabilitation Loan Program – Loan Servicing	CDBG	H-4 HO-11	Decent Housing/ Availability Accessibility	120 Existing Loans
Housing Hope Properties CHDO Operating Support Grant	HOME	H-8 HO-27 & 30	N/A	1 agency
HomeSight Puget Sound Homebuyer Assistance	CDBG HOME	H-5 HO-15	Decent Housing/ Affordability	5 units
Housing Hope Properties Pilchuk Place	HOME	H-1 HO-1	Decent Housing/ Affordability	10 units
Parkview Services Homeownership for People with Disabilities	CDBG	H-5 HO-15	Decent Housing/ Affordability	8 units
Senior Services of Snohomish County CHDO Operating Support Grant	HOME	H-8 HO-27 & 30	N/A	1 agency
Senior Services Minor Home Repair Program	CDBG	H-4 HO-13	Decent Housing/ Availability Accessibility	325 units
Senior Services Village Square Senior Apartments	CDBG HOME	H-1 HO-1 H-3 HO-8	Decent Housing/ Affordability	45 units
Snohomish County CDBG Contingency Fund – Housing	CDBG	H-1 H-2 H-3 H-4 and/or H-5	Decent Housing and Affordability or Availability Accessibility	To Be Determined

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
Snohomish County HMIS	ESG	H-2 HO-8	Suitable Living Environment/ Availability Accessibility	97-100% unit/bed coverage in HMIS & Data Quality Measures
Snohomish County HOME Affordable Housing Development	HOME		Decent Housing and Affordability or Availability Accessibility	To Be Determined
Snohomish County Human Services Department Weatherization-Related Minor Home Repairs	CDBG	H-4 HO-12	Decent Housing/ Availability Accessibility	40 units

Additional housing projects funded in previous years are also anticipated to be underway during the program year.

B. Consolidated Plan Priorities – Public Facilities & Infrastructure

Table 2 - Public Facility & Infrastructure Annual Objectives

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
Town of Index Water Main Redundancy for Flood Protection	CDBG	CD-2 IO-2	Suitable Living Environment/ Sustainability	154 persons
City of Lynnwood 204 th Street SW Improvement Project	CDBG	CD-2 IO-1	Suitable Living Environment/ Availability Accessibility	775 persons

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
Snohomish County CDBG Contingency Fund – PF&I	CDBG	CD-1 & CD-2	Suitable Living Environment and Suitability or Availability Accessibility	To Be Determined
Snohomish County Parks and Recreation Wenberg Park ADA Access	CDBG	CD-1 PFO-1	Suitable Living Environment/ Availability Accessibility	1 facility
City of Sultan Alder Ave Sidewalks	CDBG	CD-2 IO-1	Suitable Living Environment/ Availability Accessibility	1,540 persons
City of Sultan 6 th Street Waterline Completion	CDBG	CD-2 IO-2	Suitable Living Environment/ Sustainability	1,540 persons

Additional public facility and infrastructure projects funded in previous years are also anticipated to be underway during the program year.

C. Consolidated Plan Priority: Public Services -- Youth Service Programs

Table 3 - Youth Service Programs Annual Objectives

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
Cocoon House Teen Shelter & Transitional Housing	CDBG	CD-3 YPO-4 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	350 persons
Cocoon House Teen Shelter & Transitional Housing	ESG	CD-3 YPO-4 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	350 persons
Housing Hope Teen & Young Parent Program	CDBG	CD-3 YPO-3 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	58 persons
Open Door Theatre Personal Safety Outreach	CDBG	CD-2 YPO-1	Suitable Living Environment/ Availability Accessibility	1,450 persons

D. Consolidated Plan Priority: Public Services – Senior Service Programs

Table 4 - Senior Service Programs Annual Objectives

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
Catholic Community Services Volunteer Chore Services	CDBG	CD-4 SPO-1 H-3 HO-10	Suitable Living Environment/ Affordability	60 persons
Mercy Housing Northwest Senior Housing Support Services	CDBG	CD-4 SPO-1 H-3 HO-10	Suitable Living Environment/ Affordability	40 persons

E. Consolidated Plan Priority: Public Services

Table 5 - Public Service Programs Annual Objectives

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
Catholic Community Services Pregnant & Parenting Women's Housing Program	CDBG	CD-5 PSO-1 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	42 persons
Community Health Center of Snohomish County Adult Dental Care for the Uninsured	CDBG	CD-5 PSO-6	Suitable Living Environment/ Affordability	68 persons
Domestic Violence Services of Snohomish County Domestic Violence Services	CDBG	CD-5 PSO-2 H-3 HO-10	Suitable Living Environment/ Availability Accessibility	350 persons
Domestic Violence Services of Snohomish County Transitional Housing for Victims of Domestic Violence	ESG	CD-5 PSO-2 H-3 HO-10	Suitable Living Environment/ Availability Accessibility	10 persons
Housing Hope Homeless Services	CDBG	CD-5 PSO-1 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	275 persons
Housing Hope Transitions	ESG	CD-5 PSO-1	Suitable Living Environment/ Availability Accessibility	240 persons
The Interfaith Association of Northwest Washington Interfaith Family Shelter	ESG	CD-5 PSO-1 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	155 persons

Activity	Funding Source	Consolidated Plan Strategy & Objective	HUD Objective/ Outcome	Goal
Snohomish County Rapid Re-Housing – Housing Stabilization &	ESG	CD-5 PSO-1	Suitable Living Environment/ Availability Accessibility	40 households
Snohomish County Rapid Re-Housing – Rental Assistance	ESG	CD-5 PSO-1	Suitable Living Environment/ Availability Accessibility	40 households
Village Community Services Aging Adults with Disabilities	CDBG	CD-5 PSO-3 H-3 HO-10	Suitable Living Environment/ Availability Accessibility	28 persons
Volunteers of America Emergency Housing Assistance	CDBG	CD-5 PSO-1 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	52 persons
Volunteers of America Emergency Housing Assistance	ESG	CD-5 PSO-1	Suitable Living Environment/ Availability Accessibility	82 persons
Volunteers of America Sky Valley Resources Center	CDBG	CD-5 PSO-5	Suitable Living Environment/ Availability Accessibility	317 persons
YWCA Families in Transition	CDBG	CD-5 PSO-1 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	35 persons
YWCA Families in Transition/Homeward Bound	ESG	CD-5 PSO-1 H-2 HO-4 & 6	Suitable Living Environment/ Availability Accessibility	100 persons

F. Consolidated Plan Priority: Planning and Administration

A portion of CDBG, HOME, and ESG funds will be used for planning and administration of these grant programs by Snohomish County. These costs are capped under each grant.

Table 6- Planning & Administration Annual Objectives

Activity	Funding Source	Consolidated Plan Strategy & Objective
Snohomish County CDBG Planning & Administration	CDBG	CD-6 PAO-1
Snohomish County ESG Administration	ESG	CD-6 PAO-1
Snohomish County HOME Planning & Administration	HOME	CD-6 PAO-1

V. ACTIVITY DESCRIPTIONS AND PROJECT SELECTION PROCESS

A. Activity Descriptions.

Descriptions of activities to be undertaken by Consortium with CDBG, HOME, and ESG funds for the 2012 program year are located in Appendix A. They are presented using the required HUD Table 3C format. Each Table 3C form provides a description of the activity, the corresponding *2010-2014 Consolidated Plan* strategy and objective the activity will help meet, the estimated accomplishments (e.g., the number of persons or households that will benefit from the activity, the number of public facilities assisted, or the number of housing units produced), the estimated start and completion date, and the specific HUD objective and outcome.

B. Project Selection Process.

The County notified the community of estimated CDBG, HOME, and ESG funds available through a Notice of Funding Availability (“NOFA”). The NOFA was issued for 2012 affordable housing projects, 2012 public facility and

infrastructure projects, 2012 and 2013 homeowner housing rehabilitation projects, 2012 and 2013 CDBG public service projects, and 2012 and 2013 ESG projects. These latter projects are on a two-year application cycle.

The NOFA was published in the Everett Herald on October 23, 2011. The application deadline was November 30, 2011. Electronic and paper notices of the NOFA were sent to the agencies and individuals on the mailing list maintained by the Snohomish County Human Services Department -- Office of Housing and Community Development. Electronic notices were also sent to the Everett/Snohomish County Homeless Policy Task Force distribution list maintained by the Snohomish County Human Services Department – Office of Community and Homeless Services and to the Housing Consortium of Everett and Snohomish County. The NOFA was posted on the County's Human Services Department and Office of Housing and Community Development websites. The County also issued a press release for the application round on October 28, 2011.

The Snohomish County Human Services Department held three application workshops for interested applicants. The workshop for public facility and infrastructure applications was held on November 3, 2011. The workshop for affordable housing applications was held on November 4, 2011. And the workshop for CDBG public service and ESG applications was held on November 7, 2011. County staff was also available to provide technical assistance on an individual basis to applicants via phone, e-mail, or in person meetings during the open application period.

The County received funding requests in excess of the amount of funding available for CDBG and HOME projects. All applications submitted were reviewed by County staff for completeness, for eligibility, and for Consistency with the 2010-2014 Consolidated Plan. ESG applications and CDBG public service applications for homeless projects were also reviewed for consistency with local homeless plans.

The Technical Advisory Committee (TAC) was provided with review materials and met to review the proposals, to hear applicant presentations, to ask applicants questions regarding their proposals, and to make funding recommendations to the Policy Advisory Board (PAB). The application evaluation criteria were provided in the applications. The evaluation criteria included elements such as community need and benefit, project soundness, financial feasibility, organizational capacity, and readiness to proceed. The

TAC includes representatives from the units of local government in the Consortium, the Housing Authority of Snohomish County, and citizen representatives. The TAC met on February 6, 2012, for affordable housing projects, on February 7, 2012, for public facility and infrastructure projects, and on February 8, 2012, for CDBG public service and ESG projects.

The PAB met on March 16, 2012, to review the TAC funding recommendations, to consider appeals submitted regarding the TAC recommendations, and to make funding recommendations to the Snohomish County Council. The PAB includes elected officials from Consortium member town/city councils and the Snohomish County Council, the County Executive, and a citizen member. The PAB recommendations were included in the Draft 2012 Action Plan, which was open for a 30-day public review and comment period prior to approval of the Final 2012 Action Plan by the Snohomish County Council.

The Snohomish County Council has final approval authority for projects awards. The 2012 project awards were approved by the Snohomish County Council as part of the Final 2012 Action Plan on May 9, 2012. Public comments received and considered during development of the 2012 Action Plan are located in Section XX. of this document.

City of Everett HOME set-aside

The City of Everett is a member of the Snohomish County HOME Consortium. As described in the *2010-2014 Consolidated Plan* and pursuant to an interlocal agreement, twenty-one percent of the Consortium's HOME funds are set-aside each year for affordable housing projects which benefit residents of the City of Everett. The project selection process for these funds is conducted by the City of Everett which follows its citizen participation plan. The City of Everett also coordinates with the County to ensure that county-wide citizen participation requirements are met. The Snohomish County Council has final approval of the projects selected for funding.

The 2012 Everett HOME set-aside amount is \$304,214. The City of Everett notified the County that the City of Everett Community Housing Improvement Program (CHIP) was recommended for this funding through its project selection process and that it undertook its citizen participation process for this award. The Everett City Council approved the selection of this project on April 25, 2012. The Snohomish County Council approved this project award

as part of the 2012 Action Plan. The activity description for this project award is included in Appendix A.

VI. OUTCOME MEASURES

Required project objectives and outcomes are included in the activity descriptions in Appendix A.

VII. GEOGRAPHIC DISTRIBUTION

Because the needs addressed by the Snohomish County Urban County Consortium are found in all parts of the Consortium area, 2012 project locations are likewise spread throughout the Consortium area. Some projects benefit specific areas of the Consortium, while others provide Consortium-wide benefits.

- 2012 affordable housing capital projects are located in Lynnwood, Snohomish, and Stanwood.
- 2012 homeowner housing rehabilitation programs and first-time homebuyer purchase assistance programs serve households Consortium-wide.
- The 2012 public facility project is located in the unincorporated Snohomish County area near Stanwood.
- 2012 infrastructure projects are located in Index, Lynnwood, and Sultan. These projects are located in areas which are predominately low- and moderate-income.
- Most 2012 service projects serve persons from throughout the Consortium, while a few serve specific areas such as North Snohomish County or the Skykomish Valley.

The following two pages include maps which illustrate the location of the 2012 affordable housing multi-family rental, public facility, and infrastructure projects. Locations for all the 2012 projects may be found in the activity descriptions in Appendix A.

Additional affordable housing, public facility, and infrastructure projects funded in prior years will also be underway during the 2012 program year.

Figure 1 - 2012 Affordable Housing Multi-Family Rental Projects

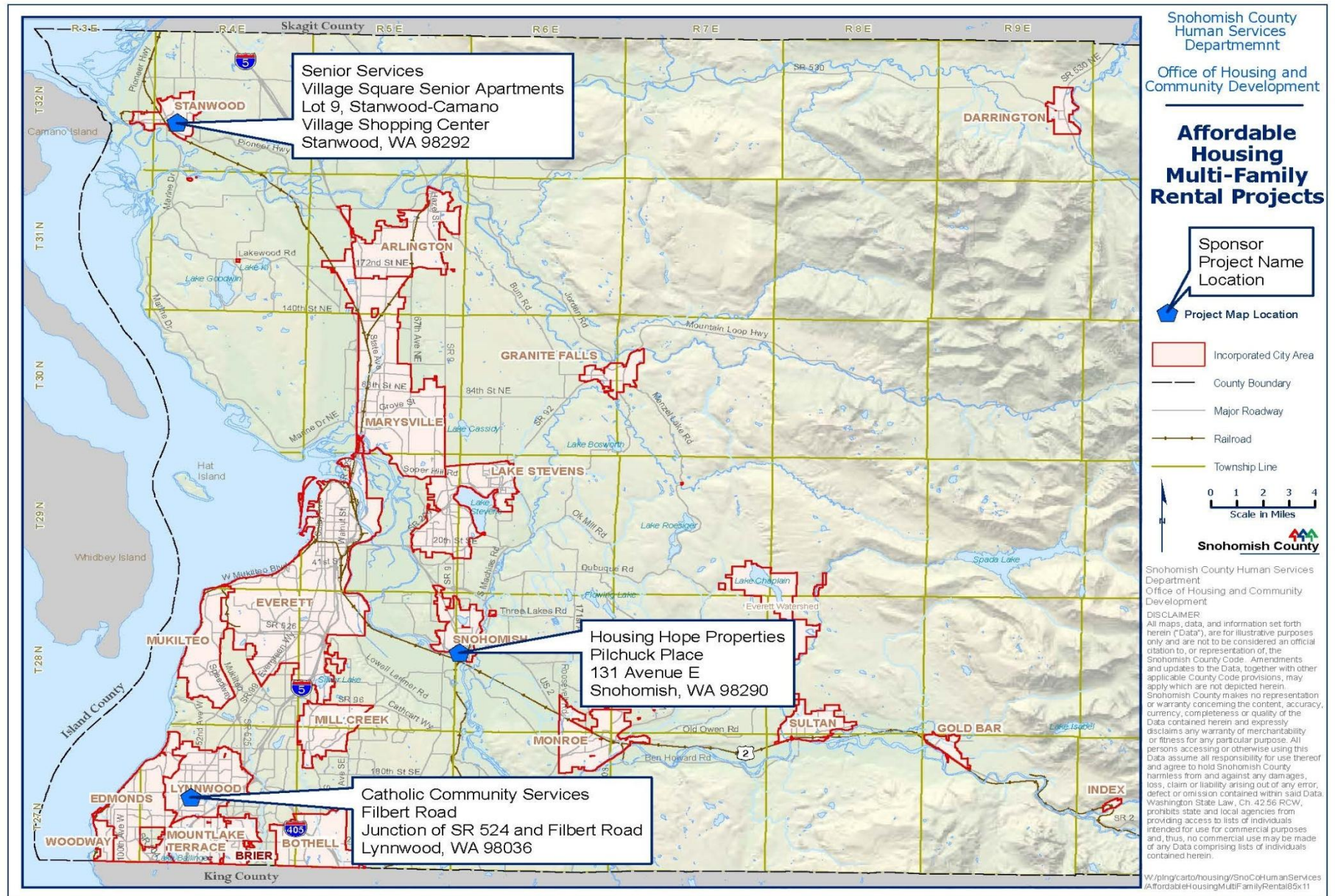
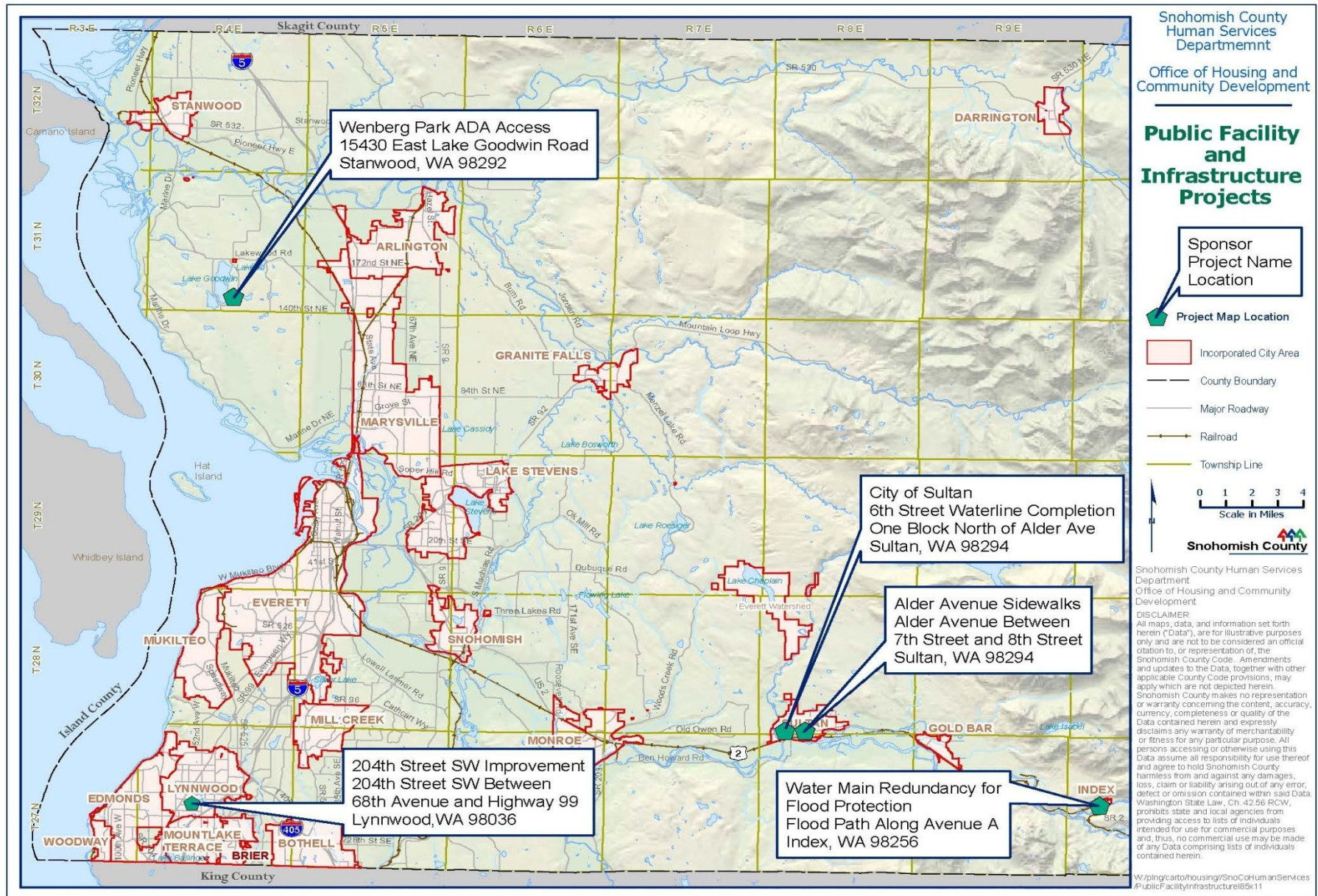


Figure 2 - 2012 Public Facility & Infrastructure Projects



VIII. ONE-YEAR AFFORDABLE HOUSING GOALS

The housing projects and programs allocated CDBG, HOME, and ESG funds for the 2012 program year are consistent with the strategies and objectives under the affordable housing priority need contained in the *2010-2014 Consolidated Plan*. The following is a summary of goals for these activities.

- A housing capital project to be funded with HOME funds will acquire an existing, ten-unit apartment complex in Snohomish and convert the units to affordable rental housing for low-income households.
- A housing capital project to be funded with CDBG and HOME funds will assist with the acquisition of property for the construction of 45 apartments in a mixed-use project in Stanwood to create new, affordable rental housing for low- and moderate-income elderly persons.
- Three housing programs to be funded with CDBG and HOME funds will provide availability/accessibility to affordable housing for 375 low- and moderate-income homeowners. Major home rehabilitation loans will be provided to ten low- and moderate-income homeowners. Weatherization-related minor home repairs will be provided to 40 low-income homeowners. Minor home repairs will be provided to 325 elderly and disabled low-income homeowners.
- Two homeownership programs to be funded with CDBG funds will provide purchase assistance for 13 low- and moderate-income, first-time homebuyers, including eight families where at least one member of the households has a disability.

In addition, local Snohomish County Affordable Housing Trust Fund (AHTF) dollars available for the 2012 program year have been recommended for several affordable housing projects. The following is a summary of goals for these activities:

- A housing capital project will acquire property and construct up to 20 transitional housing units for Veterans, including individuals and family members, in the Lynnwood area of unincorporated Snohomish County. At least 20 percent of the persons served will have substance abuse issues and/or mental health conditions. It is anticipated that many of the persons served will be homeless.

- Operating and maintenance costs will be provided for seven emergency shelters serving homeless persons and six low-income rental housing projects serving low-income and homeless persons.

Additional affordable housing goals are anticipated to be accomplished through housing projects that were funded in previous years and will be underway during the 2012 program year.

IX. PUBLIC HOUSING

The Housing Authority of Snohomish County (HASCO) was established in 1971 to provide affordable housing, enhance quality of life, and build safer and stronger communities. In its most recent assessments, HASCO has been designated by HUD as a “high performer” for public housing and Section 8, and most recently received a perfect score in the Section Eight Management Assessment Program (SEMAP).

HASCO administers a rental assistance program for very low-income and low-income households through the Section 8 Housing Choice Voucher program. This program assists approximately 3,200 households annually. It also currently operates and maintains 210 public housing rental units, 186 USDA Rural Development units, and 1,730 other affordable housing rental units throughout Snohomish County.

In addition to these activities, other actions HASCO plans to take in the upcoming program year to address the needs of public housing (assisted housing) are listed below. HASCO has changed some of its goals this year to focus on maintaining existing housing resources, and to the extent possible, serving the same number of families. The changes were prompted due to Federal funding cuts and lowered expectations about the availability of housing resources over the next few years.

- Change the goal related to increasing the supply of Section 8 vouchers. The revised goal is to manage flat and decreasing resources to serve existing families on the Section 8 voucher program.
- Remove the goal to provide vouchers to at least 60 families from the wait list each year.

- Continue to seek new Section 8 VASH vouchers for homeless veterans. Reduce the five-year goal from 175 to 135 new vouchers, as HUD has reduced the ratio of veterans to case managers.
- Reduce the five-year goal of 400 new Section 8 vouchers for non-elderly disabled persons to 50 vouchers. This is the number of new vouchers in this category received in the past two years. Additional vouchers are not anticipated to be available.
- Remove the goal to explore opportunities for rental assistance programs through local resources. This is due to the decreasing likelihood of local funding for any new programs.
- Continue to support existing commitments to the Sound Families program and other service-enriched housing programs with project-based vouchers. Complete an evaluation of this program in order to help make decisions about the direction of the program going forward.
- Remove the goal to apply for additional Shelter Plus Care assistance from HUD, if funding is available, as this program is being transitioned to Snohomish County in 2012.
- Continue to seek disposition of its 210 Public Housing Units and replacement of the units with Section 8 vouchers. This is anticipated to result in a net gain of affordable housing assistance due to the conversion of the rental subsidy from units to vouchers and the continued affordability commitments at the properties.
- Continue its Section 8 homeownership program.
- Discontinue its single family home rehabilitation loan program for low- and moderate-income homeowners as of June 30, 2012. This is due to a decline in demand for the loans over the last few years. HASCO will continue to provide loan servicing for the existing loans. Also, discontinue the related goal to work in coordination with the Snohomish County homeowner weatherization program and the Senior Services of Snohomish County homeowner minor-home repair program.

- In partnership with HomeSight, continue to implement the Manufactured Home Replacement Program (MHRP) at the Alpine Ridge South and Alpine Ridge East communities. The program replaces outdated pre-HUD code homes with HUD-code, energy efficient manufactured homes.
- Continue operation of a new joint service area implemented in July 2010 with the Everett Housing Authority. This allows voucher clients with each housing authority to locate anywhere within Snohomish County.
- Maintain or decrease the currently low level of criminal activity at Public Housing developments through the continued use of the roving property manager and relationships with local law enforcement agencies.
- Implement a smoke-free policy at some of HASCO's assisted properties to improve air quality, resident safety, and health. Based on tenant feedback, the policy would grandfather current residents at these sites, but prohibit smoking for anyone who moves in after the policy goes into effect at the particular property.
- Provide self-sufficiency planning support services to the remaining Family Self Sufficiency (FSS) participants.
- Make four program referrals per month and provide at least eight supportive services programs per year for both Public Housing and Section 8 clients.
- Enroll new clients in the Individual Development Account (IDA) program when funds are available.
- Continue to make the Housing Social Services Program available to senior and disabled residents of assisted housing. Make changes to the program to provide a reduced number of hours at some sites and change the way the tenants access services at those sites through a referral model and the use of a roving services manager.
- Consider applying to HUD for the Moving to Work designation, should HUD make any slots available.
- Launch a new education and training initiative for targeted children at HASCO-owned properties.

- Maintain the structural integrity and appearance of HASCO properties. In 2012, the focus will be on interior unit improvements and community room updates at public housing properties. These interior unit improvements will include appliance replacement, cabinetry, doors/millwork, and interior painting.
- Seek to acquire existing multifamily rental apartment buildings, including buildings with building-based Section 8 HAP contracts and USDA rental assistance. Reduce five-year goal from acquisition of 300 additional units to acquisition of 150 additional units. This is due to reduced resources and fewer opportunities for acquisitions.
- Seek to opt out of its Section 8 HAP contract for Sound View Apartments in Edmonds in order to receive replacement vouchers that can be project-based at the same site. This is not anticipated to result in a net loss of affordable housing assistance due the replacement of units with vouchers.
- Continue to support local housing policy efforts and initiatives and assist in their analysis and interpretation.
- Seek to preserve existing manufactured housing communities when approached by the owner, tenants, or local government.
- Work with financial institutions to bring in private financing as a funding source for affordable housing. This includes obtaining financing to help fund the acquisition and rehabilitation of affordable housing units. This also includes working with financial institutions to provide conventional mortgage financing to low-income homebuyers in HASCO's manufactured housing communities.
- Ensure equal opportunity in housing by continuing to comply with the Violence Against Women Act, continuing the Limited English Proficiency Program (LEP), continuing to use a formal process to review reasonable accommodations requests, and ensuring that all HASCO employees have the knowledge, skills, and resources they need to be effective in their work.

HASCO plans to take the following actions in the upcoming program year to encourage residents to become more involved in management and homeownership.

- HASCO has a resident commissioner on its six-member Board of Commissioners. The resident commissioner is important to represent the interests of residents on the Board.
- Residents may also serve on the resident advisory board to assist in the development of the annual PHA plan.
- HASCO will continue to print and distribute two newsletters, one for Section 8 housing residents and the other for public housing residents. The newsletters are designed to inform residents of activities at HASCO and to offer residents can be involved in housing authority activities, such as the resident commissioner position or serving on the resident advisory board.
- Homeownership activities will be continued through HASCO's Section 8 homeownership program, which includes participation by new applicants in HomeSight's comprehensive homeownership education program.
- Homeownership opportunities are also provided through the Individual Development Account (IDA) program through United Way.
- HASCO's Resident Resources Manager is also able to make referrals to classes on homeownership offered by HomeSight, Housing Hope, or other agencies.

X. HOMELESS NEEDS

Snohomish County, in partnership with the local Homeless Policy Task Force, has led the planning and development of the Everett/Snohomish County Continuum of Care to address homelessness in our community for over 20 years. In the upcoming year, the County will continue to coordinate with the Homeless Policy Task Force to provide joint leadership to implement the local ten-year plan to end homelessness, *Everyone At Home NOW*.

A. Investment of Available Resources and One-Year Goals

In the upcoming program year, Snohomish County will continue to administer Federal, state, and local homeless assistance funding that is available to help reduce and end homelessness in our community. These resources include:

- HUD Supportive Housing Program (SHP)
- HUD Shelter Plus Care Program (S+C)
- Snohomish County Ending Homelessness Program (EHP)
- Washington State Consolidated Homeless Grant Program (CHG)
- HUD Emergency Solutions Grant (ESG)
- HUD Community Development Block Grant (CDBG) – funding for homeless public service programs

The one-year goals listed below to help reduce and end homelessness in our community are in addition to, and consistent with, Section II. C. of the *2010-2014 Consolidated Plan*. Section II. C. identifies local homeless needs and discussed the planning efforts, initiatives, and strategies of the local Continuum of Care to prevent, reduce, and end homelessness in our community.

- Continue operation and management of the Homeless Management Information System (HMIS). Revise the Homeless Management Information System (HMIS) administrative plan to improve data quality, evaluation and reporting.
- Evaluate the current Continuum of Care status on HEARTH Act performance measures to establish baseline measures for improved planning.
- Continue the Investing in Families Pilot Project. The purpose of the project is to test ways to improve the coordination of, and access to, housing and services (including mainstream housing and services) for households experiencing homelessness or at risk of homelessness. The project is intended to provide lessons learned and an evaluation of system change.
- Implement additional efforts aimed at discharge planning to prevent persons who are exiting foster care and institutions such as hospitals, jails, and mental health and substance abuse treatment facilities, from

being discharged to homelessness.

- Develop an initial coordinated assessment that will be revised to meet HUD's new Continuum of Care requirements.
- Continue successful efforts that move persons to permanent housing and stabilize persons in permanent housing.
- Continue to manage the preparation and submittal of the annual application for competitive funds for homeless housing and supportive services available under the Supportive Housing Program and Shelter Plus Care grant programs.
- Continue to coordinate the annual Point-in-Time count of individuals and families who are experiencing homelessness in Snohomish County and the preparation of an annual report of the count.

B. Specific Action Steps for Reducing and Ending Homelessness

1. Outreach to Homeless Persons and Assessment of Needs

Outreach is primarily done through the Projects for Assistance in Transition from Homelessness (PATH) program, through youth outreach activities by Cocoon House, and through contact with staff from agencies that work with homeless persons. East Snohomish County has specific providers that reach out to homeless persons, especially chronically homeless persons.

The annual one-day Project Homeless Connect (PHC) event provides another avenue for outreach and connection to services and housing. The event serves over 1,000 persons. A number of people who attend this event are literally homeless, come from various areas around the county, and are not connected or adequately connected to the homeless services or mainstream services.

The County provides an e-mail distribution list for the Continuum of Care, which allows information to be shared broadly to providers or others in contact with persons experiencing homelessness. To the extent possible, outreach workers and agency staff attempt to engage persons in services and to assist them with access to housing.

Assessment of needs is done through outreach workers, as they have contact with homeless persons. Housing provider staff may provide a brief assessment to determine if persons are eligible for their housing. If persons are determined to be eligible and are going to enter the housing, then additional assessment is done to identify strengths and needs to build a service and housing stability plan with the individual or family.

2. Emergency Shelter and Transitional Housing Needs

Requests for people seeking assistance exceed the emergency shelter and transitional housing available in our community. The County is working with the Continuum of Care Coordinating Committee and providers to develop efficiencies and identify effective methods for addressing these needs. In addition, the County is continuing the partnership work being done under the Investing in Families Initiative to effect systems change in the provision of housing and services and to better target assistance.

Some of the actions taking place include:

- Target resources to maximize rental assistance/housing options.
- Engage landlords in finding solutions and bringing more market-rate landlords on-board to provide housing options. Explore the possibility of implementing a landlord locator system for the Continuum of Care.
- Implement rapid re-housing programs which will target moving people out of emergency shelters to permanent housing who are not in need of transitional housing or permanent supportive housing. Divert people from emergency shelters by targeting rapid re-housing and prevention assistance to those who are homeless or are at imminent risk of homelessness.

3. Transition to Permanent Housing and Independent Living

Action steps that help homeless persons make the transition to permanent housing and independent living include:

- Utilize a Housing First model to quickly house chronically homeless persons.
- Implement new permanent supportive housing units that recently received funding.
- Utilize the Shelter Plus Care Program, when possible, to move persons quickly into housing with services.
- Continue efforts to evaluate a housing locator system to facilitate access to available rental units of various types such as affordable housing, private market housing, assisted housing for homeless persons, and room or house sharing.
- Evaluate Homeless Management Information Systems (HMIS) data to identify those most likely to become homeless again in order to focus prevention efforts or modify rapid re-housing models to provide additional assistance targeted to these persons. Implementation of any changes may take one to two years or more, as contracts and funding constrains what changes may be made and when the changes may occur.

4. Homeless Prevention

The County and Continuum of Care planning activities have resulted in the following homeless prevention action steps, especially for extremely low-income persons:

- Utilize Washington State Consolidated Homeless Grant (CHG) funds or Snohomish County Ending Homelessness Program (EHP) funds to implement a targeted homeless prevention program that targets extremely low-income individuals and households. Provide short-term rent subsidies and housing stability services through the program, modeled from lessons learned through the Homeless Prevention and Rapid Re-Housing Program (HPRP).
- Utilize Washington State Consolidated Homeless Grant (CHG) funds or Snohomish County Ending Homelessness Program (EHP) funds to assist persons discharging from institutional care who would be homeless without the assistance. Continue efforts to

coordinate mainstream resources, such as mental health, housing, and services, to prevent person from discharging to homelessness.

XI. NON-HOMELESS SPECIAL NEEDS

The following are brief descriptions of specific activities allocated CDBG or HOME funds for the 2012 program year which will help address the housing and supportive services needs of persons who are not homeless, but have other special needs.

- Catholic Community Services – Volunteer Chore Services

The project will provide chore level services by volunteers to low-income elderly and disabled adults in their own homes to help maintain their independence and safety.

- Mercy Housing Northwest – Senior Housing Case Management

The project will provide on-site service coordination and group programming for low-income residents of three affordable senior housing properties in Snohomish County to enable continued independent living and enhance quality of life.

- Parkview Services – Homeownership for Persons with Disabilities

The program will provide purchase assistance to low-income, first-time homebuyers where at least one member of the household has a disability. The agency also provides homebuyer education and housing counseling to program participants.

- Senior Services of Snohomish County – Minor Home Repair Program

The program will provide health and safety repairs to homes owned and occupied by low-income elderly persons and persons with disabilities.

- Snohomish County Human Services – Weatherization

The program will provide health- and safety-related minor home repairs necessary for weatherization improvements and repair and replacement of heating systems to homes owned and occupied by low-income households. Many of the persons served by the program are elderly persons and persons with disabilities.

- Snohomish County Parks and Recreation – Wenberg Park ADA Access

The project will remove architectural barriers at the park campground. This includes removing two existing older restrooms facilities and replacing them with one ADA-accessible restroom facility with eight single-user, gender neutral stalls and showers and an accessible path to and around the facility.

- Village Community Services – Aging Adults with Disabilities

The project will provide enhancement of residential support services for aging adults with disabilities to help preserve their health, safety, and personal well-being.

XII. REDUCING BARRIERS TO AFFORDABLE HOUSING

The need for affordable housing in our community continues to be greater than the supply. The County will continue its commitment to helping to meet this need through the award of Federal formula funds to projects that will help develop or maintain decent and safe affordable housing for low- and moderate-income persons in our community. The County will continue to use local AHTF and other funding available to support this objective. The County will continue to operate a local revolving loan fund and rental voucher program to support affordable housing for persons with chemical dependency and mental health needs. Other Federal, state, and local funds administered by the County to combat homelessness will continue to be used to provide housing and supportive services to persons and families experiencing homelessness. In addition, the County will continue to explore additional ways to maintain and increase the number of affordable housing units in our community to help meet local needs.

While the County continues its strong commitment to helping to meet this need,

funding support for affordable housing from various sources has significantly declined over the past few years. There have been significant cuts in Federal formula funds that may be used for affordable housing, reduced funding for the state housing trust fund, reduced revenues under the local AHTF due to the housing market, and the lack of opportunity for local affordable housing projects to secure tax credits in the current economic climate. Due to these decreased resources and the deeper local subsidies needed to enable projects to go forward, the County anticipates that this will continue to result in the overall production of fewer affordable housing units locally.

Additional activities to help reduce barriers to affordable housing are summarized below.

A. Recent Changes to Countywide Planning Policies for Housing

Countywide planning policies (CPPs) provide a framework for regional consistency. All comprehensive plans of the County and its cities must be consistent with the CPPs. The County develops the CPPs in coordination with the cities.

Both the Washington State Growth Management Act (GMA) and the CPPs require jurisdictions to plan for a broad range of housing types and residential densities and to make adequate provisions for existing and projected housing needs of all economic segments of the population.

Snohomish County Tomorrow (SCT) is a growth management advisory body that studies and recommends policies that apply to the cities and the unincorporated areas of the County. The SCT recommended amendments to the housing chapter of the CPPs for County Council consideration in 2011. After providing the public an opportunity for input, the County Council adopted these amendments on June 4, 2011, via Amended Ordinance No. 11-015. In part, the revised CPPs:

- Clarify what jurisdictions must include in their comprehensive plans to ensure adequate provisions for existing and projected housing needs,
- Promote inter-jurisdictional cooperation by encouraging the County and cities to participate in a multi-jurisdiction affordable housing program, or other cooperative effort to promote an adequate and diversified supply of housing,

- Provide that the housing characteristics and needs analysis and monitoring information be combined into a single report that is easy to understand and use for planning and evaluation,
- Replace the former Fair Share Housing Allocation with a broader set of parameters for the distribution of affordable housing among jurisdictions, in accordance with GMA, and
- Modify existing policy to emphasize the interaction between land use and transportation and to support new housing near existing employment as well as new employment near existing housing.

B. Comprehensive Plans

The County and local jurisdictions have included affordable housing in their planning processes. Under the former CPPs, SCT published a Housing Evaluation Report every five years, with the most recent report completed for 2007. The report includes a summary of strategies used or identified by the County and the cities/towns within the County to promote affordable housing. The revised CPP related to this report (HO-5) outlines the parameters of reporting on housing characteristics and needs and housing allocation. Through SCT, the cities and the County are currently discussing how to advance work on the housing report, including content, process, schedule, funding, data sources, methodology, and project management. The intent is to approve the report in 2013 after the release of population forecast and buildable lands analysis to inform policy choice in preparation for city and County comprehensive plan updates in 2015.

In 2011, the County Council adopted Amended Ordinance 11-051 that updates the *General Policy Plan (GPP)*, including several housing policies to ensure consistency with the CPPs and to provide a consistent policy basis for future programs and development regulations. Many cities in the county are in the process of amending, or have completed similar amendments to, their own comprehensive plans in response to the 2011 CPP amendments.

C. County Development Regulations and Processes

The update of the Unified Development Code is an ongoing project for the County's Department of Planning and Development Services. This effort

includes revisions intended to improve the UDC's clarity, consistency, simplicity, and flexibility, in part to reduce the costs of compliance for developers and builders and to implement the GPP policies.

D. Intergovernmental Affordable Housing Program Feasibility

A feasibility study was completed in June 2009 which determined that in order to successfully implement an intergovernmental program to produce or preserve affordable housing in Snohomish County, four threshold conditions would need to be met:

- a “critical mass” of jurisdictions elects to participate as founding members;
- sufficient funding is secured to support the program for at least 24 months;
- a host agency is identified to provide back-office administrative support, such as payroll, accounting, and IT services; and
- the participating jurisdictions reach agreement on certain fundamental questions in an interlocal agreement, including the program's purpose and governance structure.

SCT leaders are continuing to work with public and non-profit advocates to address the four threshold criteria.

E. The Housing Consortium of Everett and Snohomish County (HCEC)

The HCEC meets regularly and consists of over 40 members including affordable housing providers, service providers, banks, realtors, builder associations, local government, organizations that provide funding for affordable housing development, and other interested persons. It is anticipated that during the upcoming year, the HCEC will continue its activities to meet both short-term and long-term goals to address housing stability needs in the community as identified in its 2008 *Housing Within Reach* Action Plan.

F. The Continuum of Care/Homeless Policy Task Force (HPTF)

The HPTF is a County-wide, community planning group which meets regularly and engages in various planning and implementation activities to ensure integration of housing and supportive services to benefit homeless and special needs populations. The overall goal of the HPTF is to prevent, reduce, and end homelessness in Snohomish County. The HPTF also engages in public education and advocacy, maintains working relationships with other state and local coalitions, and provides recommendations and endorsement for various homeless assistance programs.

G. Puget Sound Regional Council (PSRC)

The County is a member of the PSRC and its Prosperity Partnership Project. Affordable housing is one of the foundation initiatives of the Regional Economic Strategy. A workgroup met in 2007 to develop strategies to improve access to affordable housing for workers at all wage levels throughout the Puget Sound region. The Prosperity Partnership adopted some of these strategies as part of its 2008-2012 Action Plans. A 2012 Action Item related to affordable housing is to continue to encourage local jurisdictions to take advantage of the Housing Innovations Program on-line toolkit of affordable housing and best practices.

The PSRC was also awarded a \$5 million, three-year Sustainable Communities Regional Planning Grant from HUD last year. The planning grant provides support for a new program -- Growing Transit Communities: A Corridor Action Strategy for Puget Sound. The program supports neighborhood planning for more sustainable communities around new transit centers that are expected in the region in the next 20 years. The purpose of the program is to put jobs and opportunity close to where people live, while sustaining a healthy environment and healthy economy. The new program includes:

- development of corridor action strategies and tools to support equitable, sustainable communities in the region's high capacity light rail corridors;
- a new approach to participation to involve more residents and community groups in local planning and decision making;

- an affordable housing action strategy that will test, recommend, and implement local policies and financial tools to encourage and facilitate a wide variety of housing choices along light rail corridors; and
- development of innovative tools and demonstration projects to assist local communities in planning, decision-making, and building local support for sustainable development.

The PSRC began implementation of this program in 2011 and plans to continue implementation during the 2012 program year.

XIII. OTHER ACTIONS

In addition to activities already discussed and to activities listed in the Appendices, Snohomish County will undertake the following actions during the 2012 program year in support of the Consortium's housing and non-housing community development needs.

A. Affordable Housing Trust Fund

Snohomish County will continue to administer the local Affordable Housing Trust Fund (AHTF) program. The fund is capitalized by a recording fee on real estate transactions in the County and generates approximately \$700,000 annually. The funds are used for affordable housing capital projects and for operating and maintenance costs for emergency shelters and low-income rental units.

B. Neighborhood Stabilization Program

Snohomish County will continue to administer remaining funds under the Neighborhood Stabilization Programs (NSP and NSP 3) which are administered by the State of Washington Department of Commerce. The funds provided assistance for local affordable housing projects, including the purchase and rehabilitation/re-development of abandoned and foreclosed properties.

C. Community Development Block Grant – Recovery Act Funds

Snohomish County will continue to administer remaining supplemental CDBG funds received under the American Recovery and Reinvestment Act of 2009.

D. CDBG Float Loan Program

Snohomish County will continue to administer its float loan program.

E. Sales Tax Programs

Snohomish County will continue to administer programs funded through a local sales tax to meet critical needs for persons with mental health and chemical dependency disorders. The tax, in part, provides housing vouchers and supports a revolving loan fund. The County created the revolving loan fund as a tool to facilitate development of affordable housing for underserved populations.

F. M/WBE

Snohomish County will continue its policy of ensuring that business enterprises owned by minorities and by women (M/WBEs) are given an equal opportunity to compete for projects funded in part with County HUD funds. Because the list of qualified M/WBEs changes on a daily basis, and because the County does not have the resources to maintain its own current list, HSD/OHCD staff refer sub-grantees to the Internet web site maintained by the State of Washington. The County's policy on M/WBE opportunity is also included in the standard language of each contract executed for projects. Finally, M/WBE requirements are discussed at pre-bid and pre-construction meetings with sub-grantees and their contractors.

G. Fair Housing

Snohomish County will begin implementation of a new fair housing action plan currently being developed as part of an updated Analysis of Impediments to Fair Housing Choice for the Consortium. The analysis is anticipated to be completed by the end of the June 2012.

H. Citizen Participation Process and Interagency Consultation

Snohomish County will continue to use its citizen participation process to solicit public comment on local priorities and objectives for housing and community development federal grant funds and to receive feedback on its progress made towards meeting the local strategies and objectives for use of these funds. Snohomish County will maintain its formal and informal

relationships with public and private agencies, local governments, planning groups, Continuum of Care, consortia, interest groups, and other stakeholders to provide as many avenues of input as possible.

I. Section 108 Loans

Snohomish County will continue to explore the feasibility of implementing a Section 108 loan guarantee program for Snohomish County.

J. Program Monitoring

Monitoring of activities assisted in whole or in part with HUD funds administered by Snohomish County and the City of Everett pursuant to this Plan will be carried out by staff of the County Human Services Department and the City of Everett Department of Community Development, respectively. Monitoring is conducted in accordance with the specific compliance requirements prescribed by regulation for each of the HUD programs. All program compliance requirements and reports required of subrecipients and project sponsors will be specified in the County's and City's funding award contracts. Monitoring procedures and practices will assure that reports are submitted, reviewed, and assessed, and that any noncompliance reflected in reports is investigated and resolved. County and City staff will also conduct a risk assessment of all agencies being funded to assist in determining which projects must be monitored at more frequent intervals. On-site monitoring will be done to examine subrecipients' and project sponsors' operations and records, as required by HUD regulations, to validate reports and verify compliance. This includes County monitoring of the City of Everett, which is considered a subrecipient under the HOME regulations. These monitoring operations will be conducted in accord with written operating procedures and schedules. The substantive results of funded activities will be monitored in relation to the *Consolidated Plan* objectives.

Activities incorporated in the Action Plan, which are assisted with funds administered by another County or City department, by one of the housing authorities, or by another independent public agency, will be monitored for regulatory compliance in accordance with their funding source regulatory terms by the administering department or agency. County and City planning and community development staff will obtain annual reports of the substantive results of these activities from the administering agencies to monitor for progress against the Plan objectives.

HOME eligible projects are reviewed and inspected (if applicable) for consistency with the *Consolidated Plan*, program targeting/income verification of clients, HOME investment per unit, property standards, and administrative requirements. An exhaustive list of these items is reviewed and verified within each application. Ongoing monitoring includes these items in a detailed check list format and report created by the analyst and staff as part of a schedule of monitoring activities this office conducts annually.

Projects are monitored for timeliness of expenditures as part of the program compliance monitoring referenced above. In addition, on-site monitoring of housing projects includes reviewing activities for compliance with housing codes using a simplified version of the Uniform Physical Conditions Standards form.

To the extent feasible, the County will coordinate monitoring of jointly-funded projects with the Washington State Department of Commerce (DOC) and the Washington State Housing Finance Commission (WSHFC).

K. Lead-Based Paint

Snohomish County OHCD staff is assigned to address and monitor issues regarding lead-based paint where applicable in the various housing and community development Federal formula grant programs. This staff is responsible for coordinating the County's compliance with all applicable lead-based paint requirements.

Individual projects are reviewed for lead-based paint hazards. When lead-based paint is found to be a hazard, project sponsors are required to comply with applicable lead-based paint regulations regarding reduction of the hazard. OHCD staff monitors these projects to ensure compliance with regulations, such as notification, work performed by certified workers following acceptable procedures, and clearance by certified inspector in accordance with standards delineated in HUD regulations.

L. Reducing the Number of Persons Living Below the Poverty Level

Household income levels are dependent upon multiple conditions and factors, many of which are beyond a local general government's direct influence. These include: employment opportunities, households' qualifications for employment, levels of public and private assistance available to persons who

are not employable, and how individuals cope with daily life and the requisites for self-sufficiency. The latter specifically includes the level of resources applied to enabling persons who are inherently capable, but have not attained self-sufficiency above a poverty level, to develop their personal capability to progress.

Among the relevant areas which local general government can influence are the public schools and professional/technical training institutions of all kinds, basic public services, regulatory policy and tax policy that affect the private business environment, and supplementing the funding and operation of services and facilities for self-sufficiency initiatives. Since nearly all income support for persons who are temporarily or permanently not employable comes from the state and Federal governments, local government has limited direct influence over this. Another area of potential impact is public policy affecting the business climate and the use of public infrastructure investment more directly, where appropriate, to encourage and support private business capital investment.

Briefly summarized, Snohomish County's strategies with respect to these areas are as follows:

The County general government will continue to support joint planning among school districts and support initiatives to enhance and expand post secondary school education and professional/technical training facilities and programs.

The County's continuing process of review and reform of development permitting processes and standards will benefit commercial and industrial developers as well as residential developers, with the same potential cost saving and certainty-enhancing effects. The "Economic Development" element of Snohomish County's adopted General Policy Plan establishes a series of eight objectives, with specific implementing policies related to each, all expressly designed to create a supportive regulatory environment, supply supportive and technically advanced infrastructure, facilitate small business, maximize the potential of port and airport resources and promote various industrial and business sectors.

In addition, the County, through its Human Services Department, administers several programs and funds aimed at reducing the number of persons living below the poverty level. While continued federal, state, and local budget cuts have affected funding for some of these programs, the County continues to provide services, to the extent feasible, within the funding available.

The Community Action Partnership (CAP) within the Human Services Department funds and supports programs that help persons and families overcome the effects of poverty and improve their economic situation. The following is a list of these programs.

- Project Self-Sufficiency is a program which helps low-income families to increase their income through education and employment.
- The Community Services Block Grant (CSBG) program provided grant funds to community agencies to provide services to assist very low-income persons to achieve stability and move towards self-sufficiency.
- The Early Childhood Education and Assistance Program (ECEAP) helps low-income preschool children in Snohomish County to succeed in the public education system by addressing the educational, health, and social needs of the children, while placing special emphasis on participation and support to the family.
- North Snohomish County Early Head Start (NSC-EHS) is a program for families on a limited income with children from birth to three years old, and pregnant women. The program partners with families to promote the growth and development of infants and toddlers.
- The Veterans Assistance program conducts outreach, provides emergency financial assistance to veterans, helps veterans apply for VA benefits, and arranges for alcohol/drug assessment and treatment at the VA Medical Center.
- The Energy Assistance program provides grants to low-income households to help them pay their heating bills and also repairs heating systems.
- The Weatherization program performs home weatherization improvements, completes safety checks for home ventilation and heating systems, and provides energy conservation education to low-income homeowners and renters.

The Snohomish County Human Services Department also administers funding under the CDBG, HOME, and ESG programs, as well as under other

Federal, state, and local homeless and housing programs. These programs help address poverty in our community. Many of the service projects funded under these grants provide case management, employment and training support, and other supportive services. These services assist low-income and homeless persons to obtain the necessary skills, income, and other resources necessary to move towards self-sufficiency. Housing projects funded under these grants help maintain and increase the availability and affordability of decent and safe housing in our community. These projects help provide a stable housing environment for low-income households. Many of the affordable housing projects funded incorporate supportive services to promote the self-sufficiency of the residents.

The Community Services Advisory Council (CSAC) is the County's Community Action Council. It is comprised of at least 12 members, but no more than 24, including at least two from each Council district. The Board is required to have equal representation among the following groups: public elected officials, low-income representatives, and the community/private sector. The CSAC advises the County on matters related to local poverty, review proposals and makes funding recommendations for the CSBG program, works with the County to address specific poverty-related issues within the community, and participates in education and advocacy on behalf of the poor.

Snohomish County participates on the Workforce Development Council of Snohomish County (WDC). The WDC manages Federal funds received under the Workforce Development Act for various employment and training programs. These programs assist employees to make career transitions and to help create a sustainable workforce for employers. The WDC's strategic plan includes the following goals:

- a workforce development system that is globally competitive;
- meeting industry needs by filling jobs with qualified candidates;
- assisting job candidates to obtain and retain employment; and
- assisting businesses and job candidates to continuously enhance their productivity and prosperity.

The WDC operates two Work Source Centers in Everett and Lynnwood and a Youth Center in Everett. The WDC is in the process of developing partnerships with community organizations to establish affiliate centers at

additional locations in the county in order to increase access to its services. In addition, the WDC and Snohomish County are providing coordinated leadership and management of a pilot project that will test ways to transform systems that provide housing and services to people who are homeless or at risk of homelessness. The overall goal is to find ways to make these systems more efficient and effective at moving low-income people towards self-sufficiency.

Snohomish County, in partnership with other organizations, has implemented a financial asset-development project through the Snohomish County Financial Asset Development Coalition. The County's partners include the United Way of Snohomish County, the Workforce Development Council, and other community partners. The Coalition, through its community partners, provides professional development training to frontline human services staff working with low-income persons for the following activities:

- asset-development;
- assistance to low-income persons by providing assistance in completing tax forms and collecting the Earned Income Tax Credit (EITC); and
- assistance in increasing asset ownership among low-income families through Individual Development Accounts (IDA).

Bank on North Sound, the Coalition's latest initiative, is designed to enhance the opportunities for the "unbanked" to begin focused and formalized asset development.

In addition, Snohomish County anticipates it will continue exploring the use of CDBG funds to underwrite float-loan activities. While the initial impetus for this has been to widen the array of financing tools available to providers of affordable housing, the history of float-loan activity in other jurisdictions suggests that float loans will be attractive to the private sector as an economic development mechanism. If this holds true for Snohomish County, float loan activity will comprise another element of the County's anti-poverty strategy.

M. Institutional Structure

The institutional structure through which the Consortium carries out its *Consolidated Plan* is broad-based and includes County government and staff,

local governments, public agencies, and private, non-profit agencies (including faith-based organizations).

The Office of Housing and Community Development (OHCD) and the Office of Community and Homeless Services (OCHS) within the Snohomish County Human Services Department, provide staff support to the Policy Advisory Board (PAB) and Technical Advisory Committee (TAC) and manage the competitive application process for the HUD formula funds. The Snohomish County Council retains overall responsibility for all decisions involving housing and community development activities. The TAC is comprised of local government representatives, citizen representatives, and public agency staff. It hears applicant presentations, scores applications, and makes recommendations to the PAB. The PAB is comprised of elected officials of the Snohomish County Council and the city/town councils of participating Consortium members, the County Executive, and a citizen member. The PAB makes recommendations to the County Council on matters relating to HUD funds.

Project sponsors include units of local government within the Consortium (may also include Snohomish County Departments), public agencies, and private, non-profit agencies (including faith-based organizations). OHCD and OCHS staff provide technical assistance to potential applications for CDBG, HOME, and ESG funds during the application process. This staff also provides ongoing technical assistance to project sponsors who are allocated funding for projects.

OHCD and OCHS staff attend various local and regional meetings in order to maintain and increase the coordination of activities between the County and other entities working to create suitable living environments, provide decent affordable housing, and create economic opportunities for low-income persons in the community. OHCD and OCHS staff is responsible for contracting, monitoring, and compliance procedures, while also offering technical assistance to any service agency seeking housing and community development funding.

A portion of 2012 HOME funds has been allocated to provide operating support to three Community Housing Development Organizations (CHDOs). Using funding for this purpose helps to build and maintain local capacity to efficiently produce and maintain affordable housing. Impact Capital also continues to operate a revolving loan fund, originally funded with AHTF funds,

to provide pre-development loans to develop affordable housing in Snohomish County.

The County has received suggestions for incorporating additional technical expertise into the application review and selection process for affordable housing projects and will continue to explore these suggestions.

In regard to the local Continuum of Care, the most significant gap in the Continuum of Care delivery system is the lack of capacity and resources in relation to the growing needs in the community. The County and the Continuum of Care have been engaged in systems change efforts. This includes increased coordination between systems, especially with mainstream systems, targeted funding strategies, and the early development of a coordinated entry system. These efforts are intended to provide a consistent process for people to access the homeless system or to be diverted and to utilize the limited resources more effectively by targeting resources more effectively.

N. Enhance Coordination Between Public and Private Housing and Social Service Agencies

Community partnerships which link housing providers and service agencies continue to be a strength in Snohomish County, particularly in regards to projects serving homeless persons and other persons with special needs. The Housing Consortium of Everett and Snohomish County (HCESC) and the Snohomish County Homeless Policy Task Force (HPTF) are organizations in Snohomish County that meet regularly to discuss affordable housing and homeless needs. They provide ongoing opportunities for public and private non-profit housing providers to coordinate existing and future efforts to meet these needs in our community.

The Gates Foundation-sponsored *Investing in Families Initiative* is a current collaborative project that became operational in 2011 and will continue in 2012. The initiative is a community-wide effort to strengthen and realign Snohomish County's efforts to end family homelessness. It brings together the HCESC, HPTF, Workforce Development Council, public housing authorities, social service agencies, secondary education providers, private landlords, and state and local government to create new systems for preventing and eliminating family homelessness.

The County will be implementing new state requirements to enhance landlord outreach in Snohomish County. The effort will be coordinated with existing landlord and service provider connections, evaluation of possible housing locator systems, and planning efforts being done through the Investing in Families Initiatives, referenced above, which includes a Housing Resource Specialist and housing locator system. The County participated in a recent initiative to coordinate between housing and service providers, which culminated in a housing forum.

Snohomish County also continues to include as part of the evaluation criteria for housing project applications whether the appropriate type and level of support services is available, where relevant to the population served.

O. Coordination of Housing and Transportation Strategies

Applicants for affordable rental housing projects are asked to address the transportation options and neighborhood services and amenities near the proposed housing location as part of their application for funding. In addition, recent changes to the countywide planning policies emphasize the interaction between land use and transportation and the support of new housing near existing employment as well as new employment near existing housing. Also, the PSRC Sustainable Communities Regional Planning Grant referenced in Section XI. G. above is intended to support neighborhood planning for more sustainable communities around new transit centers expected in the region in the next 20 years, including a wide variety of housing choices along light rail corridors.

XIV. FUNDING AVAILABLE AND ALLOCATION SUMMARY

The information below provides a summary of the CDBG, HOME, and ESG funds anticipated to be available for the 2012 program year. A summary of how these funds have been allocated for use is also included.

The formula funding amounts shown are the most recent information provided by HUD of the Consortium's funding levels for 2012. Contingency/returned funds include contingency funds and returned funds from prior year projects due to project cost under runs or the cancellation or partial cancellation of projects. The anticipated program income amounts to be available are estimated at this time.

A. Community Development Block Grant (CDBG)

1. CDBG Funding Available for 2012

2012 CDBG Grant	\$2,352,522
Contingency/Returned Funds	\$586,563
Estimated Program Income	<u>\$200,000</u>
Total CDBG Funds	\$3,139,085

2. Summary of CDBG Allocations for 2012

Table 7 - Summary 2012 CDBG Allocations

Sponsor	Activity	Amount
Catholic Community Services	Housing for Pregnant & Parenting Women	\$42,672
Catholic Community Services	Volunteer Chore Services	\$8,793
Cocoon House	Teen Shelter & Transitional Housing	\$36,129
Community Health Center of Snohomish County	Adult Dental Care for the Uninsured	\$27,186
Domestic Violence Services of Snohomish County	Domestic Violence Services	\$43,560
HomeSight	Puget Sound Homeownership	\$113,346
Housing Authority of Snohomish County	Single Family Rehabilitation Loan Program – Loan Servicing	\$50,000
Housing Hope	Homeless Services	\$39,590
Housing Hope	Teen and Young Parent Housing (NCV)	\$23,776
Index, Town of	Water Main Redundancy for Flood Protection	\$180,000
Lynnwood, City of	204 th Street SW Improvement Project	\$225,000
Mercy Housing Northwest	Senior Housing Case Management	\$11,459

Sponsor	Activity	Amount
Open Door Theatre	Personal Safety Outreach	\$13,500
Parkview Services	Homeownership for Persons with Disabilities	\$300,000
Senior Services of Snohomish County	Minor Home Repair Program	\$580,836
Senior Services of Snohomish County	Village Square Apartments	\$102,278
Snohomish County	CDBG Planning and Administration	\$510,504
Snohomish County	CDBG Contingency Fund – Housing	\$28,750
Snohomish County	CDBG Contingency Fund – PF&I	\$96,250
Snohomish County Human Services Department	Weatherization Related Minor Home Repair Program	\$150,000
Snohomish County Parks & Recreation	Wenberg Park ADA Access	\$308,110
Sultan, City of	Alder Avenue Sidewalks	\$30,516
Sultan, City of	6 th Street Waterline Completion	\$80,617
Village Community Services	Aging Adults with Disabilities	\$42,492
Volunteers of America Western Washington	Emergency Housing Assistance	\$35,706
Volunteers of America Western Washington	Sky Valley Community Resource Center	\$18,766
YWCA of Seattle-King County-Snohomish County	Families in Transition	\$39,249
Total		\$3,139,085

B. HOME Investments Partnership (HOME)

1. HOME Funding Available for 2012

2012 HOME Grant	\$1,448,636
Returned Funds	\$170,593
Estimated Program Income	<u>\$236,943</u>
Total HOME funds	\$1,856,172

2. Summary of HOME Allocations for 2012

Table 8 - Summary 2012 HOME Allocations

Sponsor	Activity	Amount
Everett, City of	CHIP Program	\$354,214
Everett, City of	HomeSight First-Time Homebuyers Assistance	\$70,000
Everett, City of	Parkview Services Parkview Homeownership	\$35,000
Habitat for Humanity	CHDO Operating Support Grant	\$18,274
HomeSight	Puget Sound Homebuyers Assistance	\$75,000
Housing Hope Properties	CHDO Operating Support Grant	\$33,847
Housing Hope Properties	Pilchuk Place	\$600,000
Senior Services of Snohomish County	CHDO Operating Support Grant	\$20,309
Senior Services of Snohomish County	Village Square Apartments	\$497,722
Snohomish County	HOME Planning and Administration	\$144,863
Snohomish County	HOME Affordable Housing Development	\$6,943
Total		\$1,856,172

C. Emergency Solutions Grant (ESG)

1. ESG Funds Available for 2012

2012 ESG Grant	<u>\$241,799</u>
Total ESG Funds	\$241,799

2. Summary of ESG Allocations for 2012

Table 9 - Summary 2012 ESG Allocations

Sponsor	Activity	Amount
Cocoon House	Teen Shelter & Transitional Housing	24,761
Domestic Violence Services of Snohomish County	Transitional Housing for Victims of Domestic Violence	21,584
Housing Hope	Transitions	25,300
The Interfaith Association of Northwest Washington	Interfaith Family Shelter	22,000
Snohomish County	ESG Administration	18,134.93
Snohomish County	HMIS	24,179.07
Snohomish County	Rapid Re-housing – Housing Re-Location & Stabilization	24,647
Snohomish County	Rapid Re-housing – Rental Assistance	43,817
Volunteers of America Western Washington	Emergency Housing Assistance	17,136
YWCA of Seattle-King County-Snohomish County	Families in Transition/Homeward Bound	20,240
Total		\$241,799

XV. PROGRAM SPECIFIC REQUIREMENTS -- CDBG

A. Activity Descriptions

Descriptions of activities to be funded with CDBG funds expected to be available for 2012 are located in Appendix A. A summary of these funds and the 2012 allocations are listed in Section XIV above.

B. Estimated 2012 CDBG Program Income

CDBG program income for 2012, estimated to be \$200,000, is expected from the following sources:

- | | |
|--|-----------|
| • HomeSight Homebuyers Assistance | \$25,000 |
| • HASCO Single Family Rehab Loan Program | \$175,000 |

The estimated program income for the first source listed will be used to provide additional assistance under that program. The estimated program income from the second source listed is anticipated to be used for additional eligible CDBG activities. These funds are included in the 2012 allocations. CDBG program income received increases the allowable cap for CDBG planning and administrative costs (20% of 2012 formula funds plus 20% program income) and public service activities (15% of 2012 formula funds plus 15% prior year program income). Snohomish County allocates the total allowable funding for these two capped costs based on projected figures.

C. Urban Renewal Settlement Surplus and Urgent Needs

Snohomish County does not anticipate any surplus from urban renewal settlements and does not currently have any urgent needs activities.

D. Section 108 Proceeds

Snohomish County does not anticipate any proceeds from Section 108 loan guarantees at this time. However, Snohomish County is continuing to explore the feasibility and possible implementation of a Section 108 loan guarantee program. Implementation of such a program would be done in compliance with the Consortium's citizen participation plan. Should such a program be implemented, it is anticipated that activities funded under the program would generate proceeds at some time in the future.

E. Float Loan Activities

No float loan activities are open at this time. Snohomish County will continue to administer its float loan program during the 2012 program year. Any new float loans approved could generate program income during the 2012 program year. Snohomish County will follow its citizen participation plan with regard to any new float loans proposed during the 2012 program year. It is anticipated that any interest payments generated in the 2012 program year from new float loans would be used for County administrative costs, subject to the statutory cap for these types of costs.

F. Low- and Moderate-Income Benefit

It is estimated that all of the CDBG funds will be used for activities that primarily benefit low- and moderate- income persons.

G. Low- and Moderate Income Exception Criteria

Typically, at least 51% of the beneficiaries of a CDBG activity must be low- and moderate-income. The CDBG law authorizes an exception criterion to this requirement for projects that serve persons on an area-wide basis, such as street, sidewalk, water/sewer, and park improvements. The Snohomish County Consortium is granted an exception to this criterion for area benefit activities only. Based on data posted on the HUD website, the Consortium's low- and moderate-income criterion for area benefit activities for FY 2012 is 46.43%

XVI. PROGRAM SPECIFIC REQUIREMENTS -- HOME

A. Activity Descriptions

Descriptions of activities to be funded with HOME funds expected to be available for 2012 are located in Appendix A. A summary of these funds and the 2012 allocations are listed in Section XIV above.

B. Estimated 2012 HOME Program Income

Estimated 2012 HOME program income is \$236,943 from the following sources:

• HomeSight Homebuyers Assistance	\$75,000
• Everett – HomeSight Homebuyers Assistance	\$70,000
• Everett – Parkview Services Homebuyers Assistance	\$35,000
• City of Everett CHIP Program	\$50,000
• HASCO Single Family Rehab Loan Program	\$6,443
• Marysville Studio Apartments	\$500

The estimated program income from the first four sources listed will be used to provide additional assistance under those programs. The estimated program income from the last two sources listed is anticipated to be used for additional eligible HOME activities. These funds are included in the 2012 allocations.

C. HOME Homebuyer Program Guidelines for Resale and Recapture

1. Resale/Recapture Provisions.

Resale and recapture provisions apply to the use of HOME funds for homebuyer assistance programs. Snohomish County will allow for the use of either resale or recapture provisions, as appropriate.

Resale or recapture provisions are triggered when, during the period of affordability, the housing ceases to be the principal residence of the buyer who was assisted with HOME funds. These provisions are imposed for the duration of the period of affordability on all HOME-assisted homebuyer projects through a written agreement with the homebuyer, and are enforced via lien, deed restrictions, or covenants running with the land. The resale or recapture provisions are triggered by any transfer of title, either voluntary or involuntary, during the established HOME period of affordability.

Applicants for HOME funding will need to propose resale or recapture provisions at the time of application for funding and demonstrate how the provisions are consistent with the resale or recapture guidelines.

2. Resale guidelines as referenced in 24 CFR 92.254(5)(ii).

Resale provisions must be used in situations where HOME funding will be provided as development subsidies (as opposed to direct assistance to the low-income buyer) and where assistance is provided to homebuyers in

the form of grants. When resale provisions are proposed, they must ensure that:

- the property will be sold to a low-income buyer who will use the property as a principal residence;
- the price at resale will provide the original HOME-assisted buyer with a fair return on investment;
- the housing will continue to be affordable throughout the period of affordability to a reasonable range of low-income buyers; and
- The agency will have the right of first refusal to purchase the property.

A fair return on investment will be based on the repayment of the owner's initial investment, any improvements to the property, and a percent of the appreciation of median home prices in the area based on the number of years the property was owned.

Affordable to a reasonable range of low-income buyers is defined as a price affordable to a family at 75% of the area median income or below that will not pay more than 30% of their income for PI (principal and interest).

Additional HOME funds can be used, if available, if gap financing is needed for a subsequent low-income homebuyer to purchase the home.

3. Recapture Guidelines as referenced in 24 CFR 92.254 (5)(ii).

Recapture provisions will be used when the home, purchased using HOME funds as financial assistance that reduces the purchase price for the homebuyer or as gap financing, is no longer the homebuyer's principal residence during the period of affordability. The County has selected the following option for recapture of funds under the HOME program:

Recapture Entire Direct HOME Subsidy Method as follows:

Amount to be recaptured. In the event of recapture Snohomish County or subrecipient shall collect from Net

Proceeds all HOME Funds, including outstanding principal, plus interest, plus shared appreciation as outlined in the Loan Documents.

In the event that net proceeds are insufficient to repay the HOME Funds, the amount to be recaptured shall be any funds remaining after payment of all superior non-HOME debt and closing costs that are subtracted from the sale price of the home. In no event shall the borrower be required to use funds other than net proceeds to repay the HOME Funds.

4. The special provisions of the HOME Program related to single-family properties with more than one unit (i.e. duplex, triplex, four-plex) [24 CFR Part 92.254(a)(5)(ii)(A)(6)] and lease-purchase programs [24 CFR Part 92.254(a)(5)(ii)(A)(7)] will also apply as appropriate.
5. The County will be responsible for the enforcement of the recapture provisions and will require the subrecipient to obtain the recaptured funds from the homeowner. Recaptured funds must be used by the subrecipient for other eligible HOME activities or returned to the County. The subrecipient is responsible to monitor that the homeowners continue to use the home as their primary residence.
6. The County must be notified of any possible foreclosures or transfers in lieu of foreclosure during the period of affordability to ensure that resale and recapture provisions are followed. The County will recoup any net proceeds from available funds due to foreclosure.

D. Home Tenant Based Rental Assistance Description

Not applicable. Snohomish County does not intend to use HOME funds for this purpose during the 2012 program year.

E. Other Forms of Investment Description

Not applicable. Snohomish County does not intend to use HOME funds for forms of investment other than those described in 24 CFR 92.205(b) in the 2012 program year.

F. HOME Affirmative Marketing

Snohomish County requires all agencies receiving HOME funds for projects with five or more HOME-assisted units to have plans to affirmatively market housing to eligible populations. This requirement is included in the contracts between Snohomish County and the agencies receiving the HOME funds.

The affirmative marketing plan must include information on: 1) how the sponsor will inform the public and potential residents about fair housing laws, 2) how the sponsor will affirmatively market the units and inform persons who might not normally apply for housing through special outreach, and 3) how the sponsor will document affirmative marketing efforts and evaluate their success.

The marketing plans are reviewed by Human Services Department OHCD staff when the projects are monitored. Housing projects must display the Equal Housing Opportunity information and logo in an area that is accessible to eligible households.

G. Minority/Women's Business Outreach Description

This requirement is addressed in Section XIII.

H. Guidelines for HOME Funds Used to Refinance Existing Debt Secured by Multi-family Housing Being Rehabilitated with HOME Funds

Not applicable. Snohomish County does not intend to use HOME funds for this purpose in the 2012 program year.

I. American Dream Downpayment Initiative (ADDI)

New funding for this Federal program was discontinued after the 2008 program year. Agencies that were allocated ADDI funding in previous years for programs that are anticipated to continue to expend these funds in the 2012 program year include: HomeSight, Housing Hope, and Parkview Services. These agencies operate programs that provide purchase assistance to low- and moderate-income, first-time homebuyers in Snohomish County.

The County requires agencies allocated ADDI funds to develop a plan prior to receiving ADDI funds for targeted outreach to residents and tenants of public and manufactured housing and to other families assisted by public housing

agencies for the purposes of ensuring that ADDI funds are used to provide purchase assistance for such residents, tenants and families.

Each of the agencies receiving ADDI funds provide homebuyer education and housing counseling services as part of their programs. These services help ensure the suitability of the families receiving ADDI funds to undertake and maintain homeownership.

XVII. PROGRAM SPECIFIC REQUIREMENTS -- ESG

A. Written Standards for the Provision of ESG Assistance

Snohomish County will require subrecipients of ESG funding to follow and consistently apply the following written standards for providing assistance with ESG funds.

1. Evaluation of individuals' and families' eligibility for assistance under ESG.
 - a. To be eligible for ESG assistance, all households must meet the homeless definitions that apply to the type of ESG activity, such as rapid re-housing (24 CFR 576.2 Definitions).
 - i. In order to be consistent with the homeless definitions used by other Continuum of Care funded projects, at this time the County will not serve individuals and families qualifying under Homeless Category 3. Should the County and the Continuum of Care move forward with completing the activities under Homeless Category 3 per HUD CPD Notice 12-01 and be approved for Continuum of Care funded projects, then ESG projects will be notified of whether they may qualify ESG participants under Homeless Category 3 for any eligible ESG activities.
 - ii. The County is not proposing the use of ESG funds for homeless prevention activities at this time. Therefore, the at risk of homelessness definitions will not apply to ESG-funded projects. Should the County choose to fund homeless prevention activities in the future, any ESG projects will qualify participants per the homeless prevention definitions.

- iii. Emergency shelter participants qualified under Category 2 must lack other resources or social networks to obtain other appropriate shelter or housing.
- iv. Rapid re-housing participants must be qualified under Category 1, literally homeless individuals and families currently living in an emergency shelter, in places not meant for human habitation, or youth exiting transitional housing.

b. Participant evaluation

- i. All individuals or families will be initially evaluated to determine eligibility for ESG assistance, and to determine the amount and types of assistance needed to regain stability in permanent housing.
- ii. Individuals and families receiving rapid re-housing assistance will be re-evaluated at least annually.
- iii. Annual income, if documentation is required, must be determined according to 24 CFR 5.609.
- iv. All individuals and families must be evaluated to determine that they lack the resources and social networks to obtain or sustain housing without ESG assistance.

c. Documentation

- i. Eligibility and evaluation must be documented in client files for each participant or family served with ESG assistance.
- ii. Documentation must meet the ESG requirements in 24 CFR 576.
- iii. Third party documentation is the preferred method, except for persons qualified under Category 4 to avoid placing the individual or family at risk of violence.
- iv. Other methods consistent with 24 CFR 576 may be used, though the client file should contain documentation that there was an attempt to obtain third party documentation or the justifications that

third party documentation could not be obtained or obtained in a timely manner.

2. Standards for targeting and providing essential services related to street outreach.

County ESG funding will not be used to provide essential services related to street outreach at this time.

3. Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG.

- a. Admission

- i. Per eligibility standards.

- ii. For rapid re-housing, priority will be given to individuals or families staying on the streets, in cars, etc., or to persons residing in emergency shelters, or unaccompanied youth exiting transitional housing or youth facilities.

- b. Diversion

Individuals or families seeking shelter should be referred to other prevention or rapid re-housing programs to avoid homelessness or to re-house those who are experiencing homelessness.

- c. Referral

Participants and families will be assessed to make appropriate referrals to mainstream services, including public benefit programs, housing programs, and services.

- d. Discharge

To the degree possible, persons discharging from emergency shelter will be assisted in accessing housing that best fits their needs, with a preference for assisting people to access permanent housing. Discharge may also include persons entering treatment facilities to address mental health, substance abuse, or medical needs. Providers

will coordinate with the treatment provider to support a successful transition. When possible, housing options or other resources should be provided at discharge, so that persons have knowledge of where to go when treatment is completed.

e. Length of stay

- i. The overarching goal is to reduce the time spent homeless. To the extent practicable, individuals and families will be assisted in obtaining housing within 30 days of emergency shelter entry. All ESG-funded shelters will strive to reduce the average length of stay (includes transitional housing assisted with ESG funding). However, persons may stay longer to prevent them from becoming homeless on the streets or other places not meant for human habitation.
- ii. Individuals or families provided rapid re-housing assistance will stay according to the model funded with ESG assistance, which will allow some flexibility to avoid persons becoming homeless again.

f. Safeguards to meet safety and shelter needs for special populations

- i. Projects serving individuals or families qualified under Category 4 (persons fleeing or attempting to flee violent situations) must follow all related Federal and state laws, follow confidentiality policies, and provide specific services to meet the safety and special needs of this population.
- ii. Projects serving individuals and families with very high needs must provide shelter and services that meet the special needs for these populations.

4. Policies and procedures for assessing, prioritizing, and reassessing individual's and families' needs for essential services related to emergency shelter.

- a. Each individual and family will be assessed to identify needs and barriers to obtain housing and increased self-sufficiency.

- b. Assessments will be completed at program entry, then re-assessed at 30-days or sooner if needed to assist persons moving to housing. If person's stay in shelter is longer than 30-days, then reassessment must be done every 30-days and show that the person or household needs additional time in shelter to obtain other housing, and would be homeless unsheltered without ESG assistance.
 - c. Each person or family must have a housing stability plan in place, which is updated at least every 30-days. The plan will be derived from the assessment and include the individual or family's participation in developing their own individualized service plan to obtain housing and maintain housing stability.
 - d. Essential services should be tied directly to the needs and barriers identified in the assessment, and agencies are encouraged to build on the individual or families strengths to attain increased self-sufficiency and housing stability.
 - e. Obtaining appropriate housing, especially permanent housing, and addressing the most immediate and manageable barriers will be the priority for emergency shelters. Given the expected short period of assistance, the focus will need to be on those barriers that can be addressed during the timeframe of assistance. In addition, each individual or household will have a housing stability plan that may include longer-term solutions to other barriers or risk-factors that might destabilize a household after assistance has ended.
5. Policies and procedures for coordination among emergency shelter providers, essential services providers, homeless prevention providers, rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

The County and the Continuum of Care have been engaged in planning activities to increase systems coordination among the various housing and service providers to improve access for clients and to better target funding and efforts to address the housing and service needs in our community. The County and ESG subrecipients will coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs, including those in 24 CFR 576.440(b) and (c). ESG funded

projects will be expected to coordinate and integrate with County or Continuum of Care initiatives or other efforts to improve coordination with mainstream resources, which includes those noted in 24 CFR 576.440(b).

6. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homeless prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.
 - a. County ESG funding will not be used to provide homeless prevention assistance at this time. The County is funding homeless prevention assistance with other financial resources.
 - b. Individuals or families staying in emergency shelters or staying in places not meant for human habitation or youth exiting transitional housing or facilities will be prioritized for rapid re-housing assistance. Persons assisted will include homeless families, veterans, and youth, though not exclusively.
 - c. Persons needing homeless prevention assistance will be referred to homeless prevention programs.
7. Standards for: 1) determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homeless prevention or rapid re-housing assistance, 2) determining how long a particular program participant will be provided with rental assistance and how the amount of assistance will be adjusted over time, and 3) standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant.
 - a. County funds will not be used to provide homeless prevention assistance as this time.
 - b. Individuals and families will be assessed to determine if they fit into a 6-month maximum or 12-month maximum mode of rent assistance. Rent assistance will be graduated, so the participant's share of rent will increase until they pay full rent. Should a participant experience a situation that prevents them from achieving the graduated subsidy goal, then the subsidy may be extended or adjusted with a revised graduated subsidy established. Participants must be in compliance

with the program and working on their housing stability plan to be considered for an extension or revised graduated subsidy plan.

- c. Individuals and families may receive up to 24 months of housing stability services to help them obtain and sustain housing stability. Services may be provided consecutively or intermittently, as needed to maintain housing stability.
- d. Participants may receive up to two subsequent financial assistance payments after their graduated subsidy has ended, if they were compliant with their housing stability plan and they experienced a hardship that prevented them from making their payment.
- e. Hardships may include a job loss or reduction in pay/hours, medical expenses, or other similar situation. The participant must not have exited the program to receive assistance.
- f. High needs participants may receive additional housing stability services for a period not to exceed three (3) years, as long as they have not exited the program and the services support the household in maintaining their housing.
- g. Financial assistance and housing stability services must be in compliance with 24 CFR 576.104, 24 CFR 576.105, 24 CFR 576.106 and 24 CFR 576.400.

B. Centralized or Coordinated Assessment System

The Continuum of Care effort to develop a coordinated intake system was disbanded, as it was too expensive to maintain and was not producing the desired results. Currently, the Continuum of Care is working on evaluating and implementing a redesigned coordinated intake system through a piloted initiative. In addition, the Continuum of Care will be designing and implementing a coordinated intake/assessment system as required by our state. Both of these efforts will be coordinated together and some form of the intake/assessment will start being implemented in the coming months. The system will be re-tooled as needed to meet the HUD Continuum of Care requirements when these are released.

C. Process for Making Awards

Snohomish County made 2012 ESG funding available via a NOFA issued in October 2011. The process for making awards is described in Section IV. B. of this document. Since that time, the County was notified of additional ESG funding that would be available for 2012 and HUD also enacted several new regulatory requirements for ESG funding. The ESG projects that applied for funding under the NOFA have been recommended for the full amount of their request. After the required consultation with the local Continuum of Care, the County is proposing allocation of the remaining 2012 ESG funds for County administrative costs, HMIS costs, and rapid re-housing activities. Activity descriptions for 2012 ESG activities are located in Appendix A.

With regard to the ESG funds allocated to HMIS costs, these costs would first be offered to the ESG provider(s) should they need funding to support their HMIS activities. Any funds not allocated to the providers will be retained by the County for County costs related to HMIS. For 2012 ESG projects that have already applied for and are awarded ESG funding through the NOFA process, funding for HMIS costs would be made available based on a showing of need for these funds. For 2012 ESG rapid re-housing project(s), which have not yet been selected, applicants may request funding for HMIS costs through the planned RFP process for these project(s).

The County will issue an RFP for specific rapid re-housing and related HMIS activities. County staff will review the proposals and submit them to the PAB for review and funding recommendations. If required, there would be a 30-day public review and comment period. Final approval of project award(s) would be by the County Council, or through a request for delegation of approval authority, by the County Executive or his designee. Due to the limited amount of funds available, it is anticipated that only one or two projects would be funded.

D. Matching Funds

ESG carries a dollar-for-dollar matching fund requirement. Snohomish County will provide matching funds for administrative costs and any funds used for County HMIS costs. ESG providers will be required to provide matching funds for the amount of their project award for activity costs and HMIS costs. Matching funds totaling \$241,799 will be provided from eligible Federal, state, local, and/or private fund sources.

E. Homeless Participation Requirement

The County currently has a process for obtaining input from homeless and formerly homeless persons and is in the process of developing an enhanced plan for outreach to, and consultation with, homeless or formerly homeless individuals. The additional consultation will focus on considering and making policies and decisions regarding any facilities or services that receive funding under ESG.

The County and the Continuum of Care work in partnership to conduct the annual Point in Time (PIT) Count of homeless persons, which includes a survey that provides input for planning. In addition, the County and the Continuum of Care partner to conduct an annual Project Homeless Connect (PHC) event. At this event, homeless and formerly homeless persons complete a survey which provides input that can be used for planning. The County and the Continuum of Care will explore how to obtain additional input at the PIT Count and PHC event that will provide more specific input on ESG activities. This might, for example, include a few survey or interview questions about rapid re-housing and/or emergency shelter activities and how these programs are meeting or not meeting the needs of persons assisted. The County will continue to explore other options that may include focus groups consisting of persons who are currently or were previously assisted with ESG funds. In addition, the County anticipates that other opportunities to enhance outreach and input will be provided as the County and the Continuum of Care work to implement the upcoming Continuum of Care regulations.

F. Performance Standards for Evaluating ESG Activities

The following performance standards will apply to ESG-funded projects and will be incorporated into ESG contracts. Standards include HEARTH Act requirements and individual project requirements. Benchmarks, outputs, and outcomes will be set as initial standards. Standards will be revised and aligned with the upcoming HUD Continuum of Care regulations when they are published.

1. General Continuum of Care system performance measures will include:
 - a. Reduce the time spent in shelters and residing in public or private

places not ordinarily used as regular sleeping accommodations for human beings, including a car, park, abandoned building, bus or train station, or camping ground.

- b. Reduce recidivism by homeless persons who were housed in permanent housing but became homeless again. This will be measured by a benchmark percentage.
- c. System occupancy/utilization is at or above a specified percentage.

2. ESG performance measures will include:

- a. Emergency shelter output and outcome measures.

Numbers served, reduce average length of stay, percentage of unit or bed utilization, percentage exiting to permanent housing, and access to mainstream resources.

- b. Rapid re-housing performance measures will include:

Numbers served, benchmark to re-house persons in permanent housing within 30 days, housing stability benchmarks (6 months, 12 months, etc.), access to mainstream resources, recidivism per benchmark, and cost per households/person served.

- c. HMIS performance measures will include:

Unit and bed coverage in HMIS, successful AHAR data submission (includes data quality), quality ESG reporting data, and training and technical assistance for agencies and users.

G. Continuum of Care Consultation

The Snohomish County Office of Community and Homeless Services (OCHS) within the Human Services Department consulted with the local Continuum of Care regarding how to allocate ESG funds for eligible activities, developing performance standards for ESG-assisted projects, evaluating the outcomes of ESG-assisted projects, and developing funding, policies, and procedures for the administration and operation of the Homeless Management Information System (HMIS).

OCHS held an initial consultation meeting in February 2012 with members of the Continuum of Care Coordinating Committee and other key Continuum of Care stakeholders, including current ESG project sponsors. OCHS staff provided information on the new ESG regulations and the new ESG funding available and facilitated a discussion on several related items. A summary of the main items discussed is included below.

The group discussed how to allocate ESG funding for eligible activities. Items discussed included, but were not limited to, the need to continue to make funding available for emergency shelter activities from the total annual ESG allocation, the limited amount of additional ESG funding available and how to strategically and efficiently target these resources, HUD regulations and guidance for use of the additional funds, reasons for not funding homeless prevention assistance, a proposed budget for using the additional funds for grant administration, HMIS, and rapid re-housing, the effectiveness of various models that may be utilized to provide rapid re-housing and rent assistance, how to geographically distribute funds, to the extent feasible, given the limited resources. The group also discussed additional areas where consultation with the Continuum of Care was needed including performance standards for ESG projects and designing a collaborative process for evaluating the outcomes of ESG projects. The meeting participants decided to continue consultation regarding these items via e-mail. Additional consultation followed thereafter via e-mail regarding performance standards for ESG projects and for input on draft written standards for provision of services by ESG subrecipients. Additional consultation will be undertaken to design a collaborative process for evaluating the outcome of ESG projects.

The consultation activities discussed above are in addition to several consultation and planning activities that have occurred over the past year between the County and the Continuum of Care to set priorities for Federal, state, and local funding. Use of ESG funding was considered in the broad scope of these funding priorities.

In addition, the County regularly consults with the Continuum of Care regarding the local HMIS. The Snohomish County HMIS is a partnership between the Continuum of Care and County government. The procurement of the local HMIS system and the ongoing development of the local HMIS policies and procedures has been done in consultation with the HMIS Partners Group. The HMIS Partners Group meets quarterly and consists of an evolving group of Continuum of Care members, including some HMIS users and other program managers. Updates to HMIS policies and procedures are vetted through the HMIS Partners

Group prior to implementation. The County seeks input from the HMIS Partners Group on an ongoing basis in order to improve the system and operation of HMIS. The County also provides updates and seeks input on HMIS from the larger Continuum of Care/Homeless Policy Task Force which meets every other month. The County will continue to consult with the Continuum of Care regarding HMIS through these processes.

XVIII. PROGRAM SPECIFIC REQUIREMENTS – HOPWA.

The City of Seattle Human Services Department is the regional grantee and coordinator of the Housing Opportunities for Persons with AIDS (HOPWA) program for King, Snohomish, and Island Counties. This federally-funded program provides housing assistance to low-income persons disabled by AIDS and their families. An estimated \$262,576 in HOPWA funds will be provided to Catholic Community Services to serve approximately 97 households in Snohomish County. As Snohomish County does not directly administer this program, it does not have program specific reporting requirements under this section.

XIX. SUBSTANTIAL AMENDMENTS TO PRIOR YEAR ACTION PLANS AND CONSOLIDATED PLAN

Substantial amendments to prior year Annual Action Plans or to the Consolidated Plan are required when \$25,000 or more is awarded to a new project not already included in a plan, when there is a substantial change in the scope or funding amount for an existing project, or when there is a substantial change in program objectives, funding priorities, methods for choosing activities for funding, or methods of obtaining public consultation and comment. Substantial amendments require a 30-day public review and comment period.

As part of the 2012 Action Plan, the County has approved three substantial amendments to prior year Action Plans and one substantial amendment to the *2010-2014 Consolidated Plan*. The amendments are listed below (and in Appendix B for the amendment regarding additional 2011 ESG funds). All of the amendments were recommended for approval by the PAB. The amendments were made available as part of the Draft 2012 Action Plan for a 30-day public review and comment period prior to Snohomish County Council approval. No comments were received regarding the amendments.

A. HASCO Single Family Rehabilitation Loan Program Amendment Cancellation of Unexpended Funding Awards

The Housing Authority of Snohomish County (HASCO) has administered the Single Family Rehabilitation Loan Program (SFRLP) for several years. The program provides low-interest loans to low- and moderate-income households to rehabilitate their homes, including critical safety and health repairs. Priority is given to persons with disabilities, households with incomes at or below 30% of the area median income, and for critical needs.

HASCO notified the County that it will discontinue the program effective June 30, 2012. HASCO made this determination based on a recent re-evaluation of the program and its core mission. HASCO is returning unexpended grant funds for the program as it believes the funds could best be used for other activities.

HASCO was awarded \$452,500 in 2009 HOME funds for this program. There is a remaining unexpended balance of \$170,271.91 under this award. HASCO was also awarded \$352,524 in 2011 CDBG funds for this program. No funds have been expended under this award.

This amendment revises the 2009 and 2011 Action Plans to cancel the remaining balance of 2009 HOME funds and all of the 2011 CDBG funds awarded to this project. This made the funds available for re-allocation to other affordable housing projects for 2012. The proposed re-allocation of these funds is included in the CDBG awards for 2012 affordable housing projects contained in Appendix A.

After June 30, 2012, although no new loans will be made by HASCO under this program, program income would continue to be generated from the repayment of loans made in prior years. The County plans to have HASCO continue to service the existing loans for the 2012 program year. The loan service activity would be paid for with CDBG funds. The description for this activity is included in Appendix A.

B. Sultan Boys and Girls Club Public Facility Project Amendment Change in Use of Funds

The Boys & Girls Club was awarded \$340,865 in CDBG funds in the 2010 Action Plan, as amended, for the rehabilitation of the Sultan Boys & Girls

Club. The club facility serves youth from families of which at least 51% are low- and moderate-income. Before the award was under contract with the County, the club buildings caught fire and both buildings were destroyed. As a result, a new club will be built in Sultan at a different site, on property owned by the Volunteers of America at 701 1st Street, Sultan, WA.

Under this amendment, the CDBG funds will be used for construction costs to build an 18,000 square foot Boys & Girls Club which includes a gym, game rooms, computer lab, teen center, and kitchen/multi-purpose room at the new site in Sultan. As required, by the CDBG regulations, the Boys & Girls Club will be required to secure a long-term lease for the site for not less than 25 years in order to secure the continued use of the CDBG-funded project. The estimated start date for this project is December 2012 and the estimated completion date is December 2013.

C. Amendment Regarding Additional 2011 ESG Funds

Snohomish County previously received and allocated \$135,197 in 2011 ESG funds. HUD has notified the County that an additional \$76,048 in 2011 ESG funds is being made available to the Consortium. In order to receive the additional funds, the County is required to submit a substantial amendment to the 2011 Action Plan to HUD by May 15, 2012.

See Appendix B for a copy of this amendment. The amendment includes the County's spending plan for these funds. The funds will be use for rapid-rehousing activities, HMIS costs, and County grant administrative costs. The amendment includes several additional items of required information including a summary of the consultation process with the local Continuum of Care, a summary of the citizen participation process, how matching funds will be met, activity descriptions, a discussion of funding priorities, a budget, written standards for the provision of ESG assistance, the process for making sub-awards, the homeless participation requirement, and performance standards for ESG projects.

D. 2010-2014 Consolidated Plan Amendment to Add Objective for Homeless Management Information System (HMIS)

Activities funded with ESG funds must be consistent with *the 2010-2014 Consolidated Plan* strategies and objectives. Per recent changes in the federal ESG regulations, costs related to the Homeless Management

Information System (HMIS) which is used to collect, manage, and report data regarding homeless persons, is now an eligible use for these funds. The County already supports the local HMIS system through other funds. The new regulations have also increased the HMIS requirements.

The amendment referenced above regarding the additional 2011 ESG funds as well as the allocations for 2012 ESG funds in Appendix A include some ESG costs for HMIS activities. As this is a new eligible use of ESG funds, it was not previously included as one of the homeless funding objectives in the *2010-2014 Consolidated Plan*. In order for these activities to be consistent with the *2010-2014 Consolidated Plan*, this amendment adds the following new objective to Affordable Housing Strategy H-2 of the *2010-2014 Consolidated Plan*:

Objective HO-8: Continue to support the local homeless management information system (HMIS) for required data collection, reporting, evaluation, and other management activities.

HUD Objective/Outcome:

Suitable Living Environment – Availability/Accessibility

XX. PUBLIC COMMENTS RECEIVED

This section summarizes public comments received and considered in development of the 2012 Action Plan. The County is appreciative of all the input received. The County has provided responses with the rationale for any comments not accepted.

A. December 2011 Public Hearing Comments

Snohomish County held two public hearings in December 2011. Three comments were received at the hearings and are summarized below.

1. Comment of Steve Ahern, Technical Advisory Committee Member:

Mr. Ahern indicated that he is a member of the Technical Advisory Committee (TAC) which makes recommendations for funding. He indicated that he sits on several committees, and as a rule, all funding is going down. He expressed that there is a need to better understand what

the funds are trying to do and how everything fits together in the overall process. Mr. Ahern expressed that across the board cuts are not the way to do it. You need to determine what the needs of the community are, make decisions, and pick projects that really make a difference. As a TAC member, he is open to comments regarding the funding and cuts.

2. Comment of Cassie Franklin, Cocoon House:

Ms. Franklin indicated that all of the projects funded are vital to the community and she did not see anything that could be cut. She explained that Cocoon House refers clients to many of the agencies that receive project funding through these grants. Ms. Franklin indicated that the support that Cocoon House receives through the County for emergency and transitional housing is critical. With last year's funding cuts and cuts from other funding sources, Cocoon House cannot continue to provide the same quality of services if they were to receive additional cuts. They are doing more with much less. Some of the other Federal funding they receive is extremely competitive; Cocoon House is re-applying for this funding this year, but it is not guaranteed that it will be renewed. The County funding that is received for their projects is used to help leverage funding from these other sources. Their shelter in East County serves homeless adults ages 18 to 21, which is a much needed service in the community.

3. Comment of Loretta Morris, Cocoon House:

Ms. Morris commented that Cocoon House is stretching as far as it can to continue to provide services for the community. She indicated that the community looked to Cocoon House when Deaconess closed and Cocoon House has decided to absorb the Teen Parent Advocacy Project.

B. December 2011 HASCO Agency Plan Resident Advisory Board Comments

HASCO held the first meeting of its Resident Advisory Board for its 2012 Public Housing Authority Agency Plan in December 2011. Two Section 8 voucher residents attended the meeting. HASCO provided the opportunity for the County to ask for input from the residents. The County asked the residents two questions regarding affordable housing needs. The questions and comments received are listed below.

1. Affordable Housing Needs for Low- and Moderate-Income Persons.

- a. Question: The affordable housing goals currently fund affordable housing needs across the housing continuum. This includes housing for homeless persons, affordable rental housing, assistance for renters to become homeowners, and assistance for homeowners to repair their homes. All of the assistance is for low- and moderate-income households.

With the reduced amount of funding for these programs, should we continue to fund needs across the housing continuum, but fund less in each area? Or are there some needs that are more important than others and should be funded over the other needs?

- b. Comments: Assistance for renters to become homeowners is not as important as the other needs (i.e. housing for homeless persons and affordable rental housing). Becoming a homeowner is a long-term goal. Other needs are more immediate. Assistance for homeowners to repair their homes is also important. Makes sense to keep up homes.

2. Services Needed to Help People Remain Independent in Their Homes

- a. Question: Are there any specific services needed to help people remain independent in their homes?
- b. Comments: Energy efficiency. Apartment owners cannot afford to upgrade (ex. refrigerator, windows). Maybe there can be some kind of tax credit or help for them to make these updates. This affects us as low-income renters because they pay the increased costs. The low-income renters also need help, not just the landlord (ex. light bulbs).

C. Draft 2012 Action Plan Comments

The County received comments from three people on the Draft 2012 Action Plan.

1. Comment of Matt Phillips, Director, Volunteers of America Dispute Resolution Center

Mr. Phillips submitted a written comment asking the Snohomish County Council to reconsider the drastic and sudden elimination of funding to their agency's rental housing mediation services program. He stated that the program has received Snohomish County CDBG funding for thirty years and receives approximately 1,450 calls per year from landlords and tenants in Snohomish County, the majority of which are low-income. Mr. Phillips stated that the program has been a crucial part of the 2010-2014 Consolidated Plan goal to provide rental housing mediation services and that the County will not be able to meet its five-year goal without this program. He indicated that the program was the highest funded program in 2010 and 2011 and that the agency had not received any warning or negative feedback that the program's services were not meeting the community needs. Mr. Phillips expressed appreciation for the hard work and efforts of the TAC in the scoring process. However, as a long-standing program in the community, he does not want to

leave landlords and tenants without some support and notice. Mr. Phillips stated that the program is crucial to homeless prevention in our community. He also expressed that there may have been a misunderstanding that the program was going to shift its focus to support individuals going through foreclosures, but that the program would maintain its core landlord and tenant services and trainings. Mr. Phillips requested that the Snohomish County Council reconsider funding the program, or least providing partial funding to continue this program short-term, so that the agency may seek alternative long-term funding sources. He noted that the agency has developed a strong partnership with the County and that the investment made on both sides is worth saving. Mr. Phillips also noted that the program has been a fixture in Snohomish County for over three decades and is part of what has made our community a supportive and caring place to live in. He expressed hope that there is a way to give it a chance to continue to serve the people of Snohomish County. A copy of this comment is located in Appendix C.

County response:

The County agrees that the rental housing mediation services program has served the needs in the Snohomish County community for many years and that the Consortium's *2010-2014 Consolidated Plan* has determined the need for these services in our community. However, the funds are awarded

through a competitive application process which is designed to provide a consistent, clear, and fair process for all applications. The evaluation criteria utilized were included in the funding application. The evaluation and rating of this application took into consideration the entire application request for both existing and new services, plus the agency's presentation and responses to TAC questions. The loss of funding for this program was not due to lack of need in the community for these services, but rather reflected the lower scoring of this program application in comparison to other applications submitted, coupled with the reduced amount of CDBG funding available for 2012. The significant cuts to CDBG funds has resulted in fewer service applications being recommended for funding this year, and will negatively impact the Consortium's ability to meet all of its five-year service goals. The PAB considered, but did not grant, the agency's appeal to re-consider funding for this program. A change to the funding recommendations would require that the funding for other projects be reduced or cancelled.

2. Comments of Mr. Morgan Davis, Concerned Citizen

Mr. Morgan Davis provided four comments on the Draft 2012 Action Plan regarding the Pilchuck Place affordable housing project in the City of Snohomish, which is sponsored by Housing Hope. Two of the comments were oral and two of the comments were written. A summary of the comments and the County's response is included below. Copies of the written comments are located in Appendix C.

April 23, 2012 Snohomish County Council Law & Justice/Human Services Committee Meeting

Mr. Davis made an oral comment at this meeting. He referenced previous letters he had submitted to the Snohomish County Council concerning the Pilchuck Place project on March 16, March 19, April 17, and April 20. Mr. Davis expressed concern that the Pilchuck Place project is a costly, bad deal for taxpayers and for working poor families. He asked the Snohomish County Council to ask the Human Services Department staff the following questions: 1) How many on-site parking spaces there are for tenants and their visitors; 2) What is the percent of open space and pervious surfaces; 3) Is there a play area away from Second Street, which is Snohomish's busiest major arterial; 4) What the real estate listing agent's commission; 5) What was the selling agent's commission; and 6) What date was the Purchase and Sale agreement signed?

Mr. Davis stated that his understanding was that the underlying zoning for the property was MDR, allowing a total of six multi-family units, and that there had been a fire and the current code requirements were waived in 2006. Mr. Davis expressed that \$153 dollars per square foot is high-end costly housing for even middle-class families. Mr. Davis commented that this is Cadillac housing for the very poor when there is perfectly good or better Chevrolet housing elsewhere in the City of Snohomish for \$86 per square foot. Mr. Davis stated that Dean Weitenhagen, a Supervisor in the Human Services Department, told him that the seller demanded an extra premium allowance on this deal because he was selling to the government and would have to wait a few months to get County and HUD approvals. Mr. Davis indicated that the property had been for sale continuously since 2006 with Arnie Hansen with no takers.

In the interest of full public disclosure, transparency, and open government, Mr. Davis asked Councilmen Koster and Somers whether they were acquainted with Arnie Hansen, the Realtor, or any other principal involved in this deal. Mr. Davis asked what the timeline was on this deal, who approached whom for the sale and when, and whether the TAC and Housing Hope approved of this deal sight unseen before even a single market analysis was performed on March 5.

Mr. Davis asked the Council to exercise their fiduciary responsibility and reject the Pilchuck Place project before it went any further. Mr. Davis expressed that everyone should have food on the table and a roof over their head, but requiring hard-working, middle-class families to provide Cadillac-priced housing for the very poor is just plain wrong. He stated that his understanding was that if the Snohomish County Council rejects this project, then the \$600,000 in grant funds will be banked for next year and it will not harm the very poor.

Mr. Davis also submitted a written comment to the Snohomish County Council regarding the concerns raised. A copy of the letter is located in Appendix C.

May 4, 2012, Public Hearing on the 2012 Draft Action Plan

Mr. Davis made an oral comment at this hearing. He indicated that there was an error in the Tribune newspaper article that stated that the public hearing

was on May 7. Mr. Davis stated that Bobby Thompson of Housing Hope commented in the Tribune that the agency only wanted new property and not old property, because old property will not last 40 years. Mr. Davis stated that he had lived in old town Snohomish for 40 years. He stated that most residents in Snohomish are living in properties built well before 1972. He stated that they are hard-working, middle-class taxpayers who don't think they are living in sub-standard housing. Mr. Davis commented that the County's requirement, or Housing Hope's requirement, that the poor or low-income individuals live in new construction in Snohomish is not right. He stated that there is nothing wrong with older housing. He indicated that he bought a house in 1965 that was built in 1924 and lived in it for 40 years. He indicated that it didn't cost \$153 per square foot, but it was adequate. He noted that properties may be updated and didn't think that Housing Hope looked at any other properties. Mr. Davis stated that at this same time, a ten-unit apartment building on Alder Avenue was for sale that was built in 1989, was very modern, had a reasonable price of only \$86 per square foot, and will last another 80 years. He also mentioned the Brunswick Hotel on First Street, which is 120 years old and was rehabilitated and is run privately with no government funding to help homeless and very poor individuals.

Mr. Davis also expressed concern that the Pilchuck Place property is not adequate for families as there is no play area, it is on a busy street, there is no parking, and the units are small one-bedroom units. In addition, he stated that the property is not for the working poor with families, but that the prospective tenants will be homeless individuals with very low-incomes. Mr. Davis stated that Table 3C (in the Draft 2012 Action Plan) indicated this. Mr. Davis indicated that Mr. Weitenhagen stated that a Housing Hope representative said that the Snohomish City Council had blessed this project. Mr. Davis indicated that he went to the City Council meeting on Tuesday and that the Mayor and the City Council agreed that they remained neutral on this project and expressed that they are in favor of affordable housing and helping the low-income, but that this project was not approved by them. He indicated that they are supportive in general of affordable housing, but do not take positions on specific projects. Mr. Davis indicated we could check with the Snohomish Mayor to confirm that the City Council did not approve this project and wanted to remain neutral.

Mr. Davis asked the questions again that he had asked on April 23. Mr. Weitenhagen responded that the Snohomish County Council staff had

asked him to submit responses to these questions to the Snohomish County Council by the close of business on Monday.

Mr. Davis also pointed out another mistake in the Tribune newspaper article. He indicated that the article stated that the purchase price was \$1,070,000, when it was really \$1,075,000. He also noted that the article stated Housing Hope would get a bank loan to cover the remaining \$470,000, but the Table 3C (in the Draft 2012 Action Plan) shows \$548,000. Mr. Davis asked whether the project wanted \$1.1 million at one time. Mr. Weitenhagen responded that the additional funds listed on the Table 3C could possibly be additional closing costs or a financing fee for escrow and that the current Purchase and Sale Agreement reflects the purchase price is \$1,075,000. Mr. Davis expressed that he knows Housing Hope has an incentive to make this look like inexpensive housing, but that most people in Snohomish do not live in housing that costs \$153 per square foot.

Mr. Davis stated that this property is getting big rents from the private sector and expressed concern that if the property goes to a non-profit, then the City will lose property taxes. He stated that he would hope that Housing Hope would do sweat equity projects and put people to work. Mr. Davis mentioned another property close by that was a former nursing home that would be perfect for homeless individuals and that would be a better expenditure of money. He commented that he opposed this project and that it is not suitable for what homeless people really need.

Mr. Davis also submitted a written comment at the hearing. A copy of this letter is located in Appendix C.

County response:

Councilman Koster responded at the April 23rd committee meeting that he did not know that Arnie Hansen was involved in this deal in any way until a week ago. He indicated that he has known Arnie Hansen for 20 years.

Councilman Somers responded at the April 23rd committee meeting that he knows the name Arnie Hansen but is not an acquaintance of his.

The following are responses to the six questions raised to the Human Services Department staff:

- 1.) The Pilchuck Place project has eleven on-site parking spaces, with additional off-site parking along Avenue E.
- 2.) It is estimated that ten percent of the parcel is open space.
- 3.) There is limited on-site family recreation space. However, the project is located one block north of the Snohomish River, which has numerous walkways and activity areas for families to explore, including Cady Park, Gazebo Park, and Kla Ha Ya Park. Three blocks to the west is Claytown Park, an area with a play structure and picnic areas. While there is not adequate space for an on-site playground structure, Housing Hope plans to construct a community garden area where families utilize sustainable practices growing vegetables. Housing Hope believes this is an adequate space because, unlike the traditional Housing Hope development, Pilchuck Place will fill an affordable housing need by serving smaller households with zero to two children.
- 4.) Information regarding the real estate listing agent's commission is not a requirement of the County application. The real estate commission structure is agreed to between the seller and the listing agent and does not involve the buyer/County Applicant (Housing Hope).
- 5.) The selling agency commission structure is not listed on the Purchase and Sale Agreement and it is not a requirement of the application to disclose this detail.
- 6.) The Purchase and Sale Agreement was submitted from Housing Hope to the Seller on November 28, 2011. Most of the price negotiations took place in late November of 2011 and the Purchase and Sale Agreement was not fully executed until December 5, 2011. The project was under contract well before the TAC met to review the merits of the project on February 6, 2012.

Mr. Dean Weitenhagen, Supervisor, Snohomish County Human Services Department – OHCD, explained to Mr. Davis that it is not uncommon for sellers in the private or public sector to ask for a higher price point if the seller is required to accept additional risk or is required to wait substantially longer periods of time before the project reaches a closing date. Public funding processes require applications to go through a competitive funding process and do not offer certainty of funding. It is not uncommon for a larger

development project to take months, and in some cases, over a year, to secure all the necessary public and private funding resources to be fully funded.

The County has a number of underwriting mechanisms in place to ensure that public funds are being well spent and that there is no overpayment for projects. The County application requires affordable housing capital projects to demonstrate the approximate market value. This may be done through the use of County-assessed value of the property. Moreover, the County also reserves the right to require a Comparative Market Analysis (CMA) to be provided. In recent funding rounds the CMA is used more routinely as it is an affordable tool that may be used to help determine the market value of projects. The CMA is essentially a preliminary market value report that is completed by a professional real estate broker. It provides additional assurance of the estimated market value of the property while working through various underwriting criteria.

More importantly, all projects are required to have an appraisal performed by a licensed and insured appraiser that accounts for all funding that goes into a project. Appraisals are not required during the application process given cost implications ranging from \$500 to \$5,000, depending on the size and type of project. The reason why most public funders do not require an appraisal at the time of application is because the appraisal has a very short life span ranging from two to five months, given the condition of our current real estate market. This essentially means that the agency or the taxpayers would have to pay for the appraisal twice - once during the application process and again when the project contract is being executed. This would be an unnecessary cost for the agency and/or the taxpayers. The purchase price of the property may not be higher than the appraised value of the property. If the appraised value is lower, then the seller and buyer may re-negotiate the selling price at or below the appraised value. If the seller and buyer are unable to negotiate a price at or below the appraised property value, then the County staff would not execute a contract with the project sponsor for the grant funds and the project could not go forward.

Moreover, through the County's competitive application process, applicants for funding are required to provide a tremendous amount of detailed information about the proposed project and to respond to numerous underwriting questions that address the following evaluation criteria: organizational capacity, project soundness, financial feasibility, community

need and benefit, readiness to proceed, and whether or not the project has a non-smoking policy. Proposed housing projects go through a rather thorough underwriting and evaluation process, so the suggestion that the TAC or PAB does not evaluate projects is not an accurate assertion.

The CMA for the Pilchuck Place project was produced well before the PAB meeting on March 16, 2012, and the outcome of the CMA was shared with the PAB during that meeting. Based on the CMA, the assessed value appears to be on the high end of the price range. While typically the conventional funding source selects the appraiser, County staff have decided to take a lead role in selecting the appraiser for this project.

At this time, the Purchase and Sale Agreement reflects a purchase price of \$1,075,000. In terms of budget details, Housing Hope is asking for \$600,000 from the County and \$549,769 from the conventional funder. (Note: the initial budget reflected in Table 3C in the 2012 Draft Action Plan reflected \$548,769, but an error in the formula was discovered more recently and the correct figure is \$549,769.) The total budget outlines \$1,075,000 purchase price and \$14,000 closing costs/title insurance/recording costs, etc. There is also \$11,000 for installation of a security system and signage, \$25,000 for an appraisal, environmental assessment, boundary and topographical survey, etc., and another \$24,769 for property tax and replacement reserves. Please note that the County did not provide misinformation to the media and is not responsible for the lack of accuracy produced by any media regarding this project.

The project consists of one-bedroom and some two-bedroom units. The project will serve a broad array of families and adults with incomes at or below 50% of the area median income. The project is located close to public transportation and employment opportunities. The project is located within walking distance to public schools, which also have designated play areas for youth. Other walkways and play areas that are nearby were referenced earlier in this response.

The County appreciates the importance of keeping the cost of affordable housing down in an effort to increase the number of affordable housing units in our community. Another equally important consideration when evaluating the total cost of affordable housing is to evaluate what that cost may be to update or rehabilitate projects over time. The Pilchuck Place project is a newer project, built in 2006, and requires no rehabilitation in the foreseeable

future. Therefore, Housing Hope does not plan to come back to the County to request funding for rehabilitation for a period of decades. Conversely, the alternative site identified by Mr. Davis in the City of Snohomish was built in the late 1980's and would require rehabilitation at some point in the near future. This additional cost would off-set the total cost of the project and drive the per square foot cost close to or even exceed the per square foot cost of the Pilchuck Place project.

Because affordable housing is important, and because of the significant investment of public funds, project sponsors receiving County grant funds for multi-family affordable rental housing projects are required to operate and maintain the site as affordable housing for a minimum of 40 years. It is also important to note that the County's Notice of Funding Availability (NOFA) is an open, competitive application process designed to give flexibility to agencies that have a wide range of strategies associated with providing affordable housing. Although Housing Hope's current strategy is to acquire projects that require little rehabilitation when possible, other agencies have different strategies. The County does its best to support a full continuum of affordable housing strategies. Housing Hope also values the idea of acquiring projects that blend into the surrounding community and do not look like an "affordable housing project". The County also values this concept and recognizes that the Pilchuck Place project was built with quality and long-lasting materials, which will reduce maintenance costs and help to ensure the long-term viability of the project. The County also values agency applications that are geared toward acquisition of very low-cost units, but from an underwriting perspective, the County must also consider the careful balance of what the total cost of the project will be over time.

3. Comment of Bobby Thompson, Housing Director, Housing Hope

Mr. Thompson made an oral comment at the Snohomish County Council Law & Justice/Human Services Committee Meeting. Mr. Thompson thanked the County for having this forum. He stated that Housing Hope had a 25-year plus successful history of providing affordable housing in Snohomish County and in developing multi-family housing for this purpose. Mr. Thompson explained that it is important to identify and obtain projects that have a long-lasting life with superior building facilities where the agency has site control as the funding agreements require a 40-year commitment to affordable housing. He indicated that in the agency's process of identifying a project, the property in Snohomish was far superior to other properties they were pursuing for

long-term use. He stated that the agency submitted an application, has gone through the TAC and PAB process, and have answered all questions that have come to them. He indicated that the agency has been completely transparent about this process and will continue to be transparent. Mr. Thompson indicated that he is aware of an appreciative of the Mr. Davis's concerns regarding the value of the property. He indicated that the County requires an appraisal to be performed on the project that will show the value of the project. If the agency has overpaid for the project, the appraisal will weigh that out, and in compliance with the funding requirements, the agency would need to go back to the seller and ask for a lower purchase price. Mr. Thompson expressed the agency's excitement about the project and about being in Snohomish. He stated that this is a great project for its families and for low-income families throughout Snohomish County to have a housing opportunity like this and that it is in-line with all of their developments. Mr. Thompson provided thanks for the support of Housing Hope and other affordable housing agencies in Snohomish County.

XXI. SNOHHOMISH COUNTY HUMAN SERVICES DEPARTMENT CONTACT INFORMATION

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This 2012 Action Plan document and the 2010-2014 Consolidated Plan are available electronically as well as in paper copy format. For an electronic copy, please visit the following County website:

http://www1.co.snohomish.wa.us/Departments/Human_Services/Divisions/OHHCD/Consolidated_Plan/

For a paper copy, please contact Sue Tracy. The County will provide a reasonable number of free hard copies of these plans to citizens and groups that request it.

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